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VOLUME II

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1960

No. 50

EASTERN RAILROAD PRESIDENTS CONFERENCE, ET AL., PETITIONERS,

vs.

NOERR MOTOR FREIGHT, INC., ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

PETITION FOR CERTIORARI FILED MARCH 3, 1960
CERTIORARI GRANTED APRIL 18, 1960

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AMERICAN HOME DEPARTMENT

NEW YORK STATE FEDERATION OF WOMEN'S CLUBS, INC.
Organized 1894

MRS. WILLIAM H. GOLDING, President

CHAIRMAN
Mrs. John Weinstein
272 Hewes Street
Brooklyn, N. Y.

VICE CHAIRMAN
Bessie Q. Mott
Woodstock Hotel
127 West 43rd Street
New York, New York

You are cordially invited to a Forum to discuss
The Effect of Taxes on the American Home

with: Mrs. J. L. Blair Buck
President of the General Federation of Women's Clubs

Mrs. William H. Golding
President of New York State Federation of Women's Clubs

Mrs. Elizabeth Harrison Walker
Public Relations Consultant on Programs of Economic Education

Mrs. Edward M. Boyne
President of New York State League of Women Voters

Mrs. Oliver Olsen
President of the Queensboro Federation of Mother's Clubs

Mrs. Louis Steiger
Vice-President of the New York City League of Women Voters

Mrs. Harry E. Crum
President of the New York City branch, American Association of University Women

Miss Edith F. Gordon
Second Vice-President of Business and Professional Women of the State of New York

who will question the tax experts:

Dr. Harley Lutz
Past President and Director of the National Tax Association and Tax Consultant to the National Association of Manufacturers

Mr. George L. Nichols
Chief of Research for the Citizens Public Expenditure Survey and Editor of "New

EXHIBIT P-16G

EMPIRE STATE TRANSPORT LEAGUE

ELEVEN NORTH PEARL STREET
ALBANY, N. Y.

August 14, 1950

CROMWELL WOODWARD, Chairman
Utica, N. Y.

E. L. Torbert
Syracuse, N. Y.

Norman J. Gould
Seneca Falls, N. Y.

Earl J. Colwell
Hudson, N. Y.

R. A. Cooley
Buffalo, N. Y.

C. R. Wycoff, Jr.
Buffalo, N. Y.

A. F. Crone
Buffalo, N. Y.

John Tritten
Utica, N. Y.

Charles J. Peters
Utica, N. Y.

Neil O. Sheldon
Schenectady, N. Y.

H. C. Richter
Schenectady, N. Y.

Mills Ten Eyck
Schenectady, N. Y.

Charles W. Coneway
Schenectady, N. Y.

J. W. Biggs
Rochester, N. Y.

Dr. Adrian Buyse
Rochester, N. Y.

Dear Sheriff:

Public interest in the Van Cleef Act, which is intended to protect public roads from misuse by illegal commercial carriers, is growing daily. At the recent convention of municipal police chiefs in Rochester, Assemblyman Leo Noonan explained the importance of the bill and how it can be employed by local constabulary as well as by the state police.

This act, which was passed at the last session of the assembly, brings New York State's laws governing the trucking industry more in line with many other states confronted with deteriorating highways resulting from overloaded trucks. The bill enables any law enforcer in the state, such as village or town police, to apprehend big trucks for a weight check and issue summons in case of violations.

In view of the widespread concern evidenced by public officials, taxpayers and law enforcers over the ever-increasing highway problems, the Empire State Transport League is sending you the attached enclosure reporting Assemblyman Noonan's address before the chiefs of police in New York.

The beneficial results to the state highway system from full enforcement of the Van Cleef Act seem obvious to those concerned with transportation problems. Today there are more than 485,000 trucks registered in our state. Many thousands more from out-of-state daily travel over the 102,000 miles of roads in New York. Only with the cooperation of all agencies of law enforcement will it be possible to bring order into the complex highway problem in New York and thus save the state's greatest capital investment from destruction.

Sincerely,

Cromwell Woodward
Chairman

EXHIBIT P-30

EXHIBIT P-31

For release in papers of WEDNESDAY, August 8, 1951, and thereafter.

From:
EMPIRE STATE TRANSPORT LEAGUE
11 North Pearl Street
Albany, N. Y.

NINE STATES FOLLOW NEW YORK'S APPROACH TO ROAD USER TAXES

ALBANY—Nine widely scattered States have ordered surveys of their highway tax programs in line with legislation passed in New York State last year pioneering the application of user benefits to highway taxes.

These studies were reported in a survey just completed and published by the National Highway Users Conference. Most of the study groups, the conference stated, have been ordered to submit recommendations not later than the meetings of the States Legislatures in 1953.

The 1950 law passed in New York aroused national interest because of its usage of direct measurement of mileage and weight of vehicles as a gauge for license fees. This displaced the older system under which heavy commercial trucks paid very little more in taxes than passenger cars, light delivery vehicles and farm trucks.

The New York law was expected, according to official estimates, to yield an additional $20,000,000 a year to help finance the restoration of highways that had been badly worn by the increasing amount of heavy traffic using them.

Since every state shares with New York the problem of highways damaged out of all proportion to normal wear by the lifting of truck weight restrictions in World War II, the New York legislation has been termed by many public groups a model approach to this question.

According to the National Highway Users Conference, official surveys of this question dealing with "taxation of motor vehicles, highway construction and truck weights" have been authorized by State Legislatures to date, as follows:

CALIFORNIA—Studies of the development of "efficient, economical and adequate highways," with specific direction

for studies of alternate methods of financing the highway modernization program and of taxing heavy commercial vehicles equitably.

—2—

CONNECTICUT—Study of highway taxation and the use of highways by all kinds of vehicles.

MAINE—Study of the entire problem of truck taxation.

INDIANA—Adequate and conclusive tests of different types of paving materials, including the cost, durability and upkeep requirements of various types under both automobile and heavy truck usage.

MICHIGAN—Studies of highway construction and deterioration, combined with investigations of the most equitable method of taxing trucks in relationship to their earnings from usage of the highways and damage done by them to highways.

MISSOURI—Studies similar to those ordered in Michigan, with this report ordered completed by Sept. 1, 1951.

NEBRASKA—Studies of methods of raising revenues for highways.

OHIO—An exhaustive study of the whole highway problem, with special attention to the use of highways by commercial trucking interests and the contributions that these commercial users should make toward construction and maintenance.

OREGON—Studies of highway needs and the effect of recent motor taxation on the motor transportation industry, as well as the communities served by this industry.

This resume by the National Highways Users Conference dealt only with specific studies ordered up to the end of July by State Legislatures. Other reports have indicated that many additional States also are attacking the highway user-benefit tax question by other means, particularly since highway deterioration has been one of the major topics considered by the last two annual Conferences of State Governors.

EXHIBIT P-32

EMPIR. TATE TRANSPORT LEAGUE

ELEVEN NORTH PEARL STREET
ALBANY, N. Y.

CROMWELL WOODWARD, Chairman
Utica, N. Y.

E. L. Torbert
Syracuse, N. Y.

Norman J. Gould
Seneca Falls, N. Y.

Earl J Colwell
Hudson, N. Y.

E. A. Cooley
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Neil O. Sheldon
Schenectady, N. Y.

H. C. Richter
Schenectady, N. Y.

M. Ten Eyck
Schenectady, N. Y.

Charles W. Coneway
Schenectady, N. Y.

J. W. Biggs
Rochester, N. Y.

Dr. Adrian Buyse
Rochester, N. Y.

June 20th, 1952

Dear Sir:

In accordance with our policy of encouraging an enlightened public opinion in transportation matters, I am enclosing a reprint from a recent issue of ENGINEERING NEWS-RECORD on the Maryland Road Test.

The findings of this test conclusively prove that single axle weights of 22,400 pounds, such as are permitted in New York State, cause six times as much damage to the roads as single axle weights of 18,000 pounds. The 18,000-pound axle limit has been recommended by the U.S. Bureau of Public Roads, the Council of State Governments and the American Association of State Highway Officials. It is already in effect in 34 states at the present time.

Sincerely,

/s/. CROMWELL WOODWARD
Cromwell Woodward

EXHIBIT P-33

FOR IMMEDIATE RELEASE

FROM: Empire State Transport League
11 North Pearl Street
Albany 7, New York

[Handwritten notation—*File*]

ROADS FAILING UNDER BIG LOADS HARPER'S REPORTS

Auto Safety Official Describes Highway Crisis In Sept. Issue

The nation's once matchless 50 billion-dollar highway system is "progressively going to pieces at a staggering rate," an article in the September issue of Harper's Magazine warns.

Specifically, author Myron Stearns, associate of the Automotive Safety Foundation, charges: "For twenty years we have been going uninterruptedly backward, to the tune of fifteen or twenty thousand miles of highway a year on the average. In round numbers, we now have 350,000 fewer miles of up-to-date roads than we had twenty years ago."

Stearns cites an estimate of the Bureau of Public Roads that 60 billion dollars stretched over 15 years would be required to bring the nation's roads up to standard, while estimates of State Highway Commissioners for repairs and improvements needed immediately total $41,144,630,620.

"In New York State alone," he declares, "it is estimated that $890,000,000 would be required to restore the state highway system to the point of efficiency it reached in 1930."

Blame for rapid deterioration of highways is placed by the author chiefly on the greatly expanded use of heavy trucks. Pointing out that between 1929 and 1949 truck mileage rose from 12 billion to 45 billion and loads rose from 14 billion to more than 100 billion ton-miles, Stearns asserts:

"Loads that are no more than half what a concrete highway can carry do little damage; if they are more than that, the pavement wears only one-tenth as long."

(more)

In illustration, the article provides the example of a two-lane Louisiana highway where "the pavement on one side has gone out completely, while on the other side it is still good. Reason: gravel trucks going to a quarry are empty when traveling in one direction, but are heavily loaded on the beaten side." Stearns also quotes Pennsylvania officials to the effect that a truck carrying an illegal overload of 43 tons did an estimated $15,000 damage to pavements on a single trip.

To prevent needless and costly destruction of highways, Stearns urges as one major measure that laws regulating truck weights be stringently enforced in all the states. "Overloads, far beyond the allowed limit, are doing the most damage to existing roads," he charges. "An Oklahoma weight check showed that more than a third of all trucks were (illegally) overloaded. Identical results were secured in Indiana."

Next in line, he continues, comes increased truck taxes: "Obviously, truck owners must be expected to pay their full share of highway use and highway destruction. So far they have not come even reasonably close to it."

As a case in point, Stearns refers to a Michigan study which shows that in 1946 railroads within the state did $148,000,000 of business on an investment of $690,000,000, while truckers took in $152,000,000 on an investment of $60,000,000. He adds that a newspaper investigation in Illinois last year shows that 17,000 trucks did most of the damage to highways in the state, while paying only a tenth of the highway revenue.

"We are running behind heavily in our highway upkeep," the Harper's article concludes. "The most direct and least expensive way to raise the necessary money—aside from truck regulation and fair fees for truckers—is through whatever gas tax may be necessary. It will hurt."

EXHIBIT P-39

For release in papers of
Thursday, December 14, 1950

FROM: Citizens' Tax League
16 State Street
Rochester, New York

[Handwritten notation—*P39*]

CAR, FARM TRUCK OWNERS PAY TOO MUCH ROAD TAX

Highway Tax Study Shows Light Vehicle Charges Are $523,000 Too High In Oneida County

ROCHESTER—Passenger car and farm truck owners in Oneida County pay over $523,000 a year more than their fair share in license fees on their vehicles, a study of the recently completed "Report on Highway Taxation and Finance in New York" reveals.

Each typical farm truck owner pays $12 more than he should when he buys his $27. license tag, and the average size 3,100 pound passenger car's $15.50 tag represents an over-charge of $6.41 when measured by fair standards of highway use and benefits, the report shows. There are more than 54,000 passenger cars and about 2,600 farm trucks in Oneida County.

The highway tax report, now under study by the Joint Legislative Committee on Highway and Canal Finances, was made by the independent finance consultants, Griffenhagen & Associates, Inc. It proposes adjusting license fees of all vehicles according to the use, measured in ton-miles, that each class of car and truck makes of the road facilities in the state.

While passenger car and lightweight truck license fees should be reduced, heavy over-the-road commercial trucks should pay six times more than they now contribute, according to the study. These adjustments in license taxes are based on the assumption that highway expenditures will increase at a normal rate of growth and that the gas tax will stay at four cents per gallon.

Emphasizing the need for highway tax reforms in the state, the report reveals that the typical farm truck payment in New York is higher than any state in the nation except New Hampshire and Ohio. The same truck pays a license fee averaging only $17 in the ten leading farm states of the nation, it is shown.

Meanwhile, the heaviest combination over-the-road truck licensed in New York pays less than one-third as much as the same truck would pay in the ten top agricultural states. New York gets only $140 from such trucks, while the leading farm states charge an average of $548. The national average is $521.

Other facts revealed in the report, the first of its kind in the state to include costs and charges for all the 1,620 government units administering streets, roads and highways, are:

1) Combined license fees and motor fuel taxes for a passenger car are four times as great as heavy truck payments on a ton-mile basis.

2) Passenger cars pay 23 cents per 100-ton-miles and heavy trucks pay only five cents.

Mrs. Harry E. Crum
President of the New York City branch, American Association of University Women

Miss Edith F. Gordon
Second Vice-President of Business and Professional Women of the State of New York

who will question the tax experts:

Dr. Harley Lutz
Past President and Director of the National Tax Association and Tax Consultant to the National Association of Manufacturers

Mr. George L. Nicnols
Chief of Research for the Citizens Public Expenditure Survey and Editor of "New York State Taxpayer"

Mr. Thomas S. Holden
President of F. W. Dodge Corporation and Member of Committee, Business Statistics, Chamber of Commerce, USA

On Wednesday, Feb. 1, 1950
Hotel Astor, South Garden
:30 p.m.
Tea will be served
RSVP

EXHIBIT P-166

379b

EXHIBIT P-40

For release in newspapers of Thursday, November 8, 1951

FROM: Citizens Tax League
421 Exchange Building
16 State Street
Rochester, New York

Robert Menzie, Exec. Secy.
Phone: LOcust 3457

Once far behind most of the country in fair distribution of road taxes between motorists and heavy truckers, New York now has a squarer deal than 44 other states, a tax group reported today.

The Citizens' Tax League of New York said a survey shows that only three states give motorists a better break. They are Tennessee, Idaho and Oregon.

Under a tax schedule passed by the 1951 New York Legislature, big truck owners pay three-fifths of what motorists pay in proportion to the weight and mileage of their vehicles. Under the old law it was only a fourth.

Registration fees, gasoline taxes and the new weight-distance levy cost a 30-ton trailer truck operator slightly more than 14 cents each 100 ton-miles of highway use, the survey shows. A light automobile costs nearly 24 cents a 100- ton-miles and a heavy one nearly 22. (A ton-mile represents the movement of one ton over one mile.)

The weight-distance levy, a comparatively new technique in highway financing, is chiefly responsible for tipping the tax scales into more even balance between automobiles and trucks that weigh fifteen to twenty times more. The new type tax was pioneered by Oregon and this year Idaho, like New York, adapted it to its particular road cost problems.

The League's report was based on facts and figures obtained from the U. S. Bureau of Public Roads, and the New York State Joint Legislative Committee on Highways,

Canals and Revenues, which conducted an extensive investigation into highway-use taxes in all 48 states.

The report shows that operators of heavy trucks pay less than motorists in every state. The national average for a 30-ton truck is 12.40 cents per 100 ton miles, 14.70 cents for one of 20 tons, 32.5 cents for a heavy sedan and 34.39 cents for a light one.

Taxes run about the same, on the ton-mile basis, on vehicles up to 16,000 pounds loaded weight, then drop sharply as the trucks get heavier. Top levies are imposed on a 3-ton pick-up truck, the survey shows.

Tennessee has the nation's fairest road-use taxation, comparing passenger cars with heavy trucks, while Rhode Island has the least fair.

North Carolina levies the top taxes on a 20-ton trailer truck, according to the survey, while New Jersey has the nation's lowest road fees.

The motorist is hardest hit in Mississippi, where he pays more than half a dollar for each 100-ton-miles. Kansas, Kentucky and West Virginia also are expensive states for auto owners. New Jersey is the cheapest state, taxwise, in which to own a car.

The tax group explained that its ton-mileage and weight-distance tax calculations took unloaded truck mileage into account.

A

EXHIBIT P-41

FOR RELEASE Thursday, July 17

FROM: Robert J. Menzie
Executive Secretary
Citizens Tax League
16 State Street
Rochester 14, N. Y.

HIGHWAY USE TAXES COSTLIER TO AUTOS THAN HEAVY TRUCKS

ROCHESTER, N.Y., July 17—Road taxes in every state are higher on automobiles and small trucks than on heavy trucks. Nationally, automobile owners and light-truck operators have to pay more than two and a half times as much for the use of the highway as the owners of top-weight trailer-trucks.

This situation was disclosed today following completion of a nation-wide survey conducted by a New York tax group, the Citizens Tax League.

The survey showed that state road-user taxes and property taxes cost the owner of a 3450-pound automobile an average of 34.6 cents for each 100 ton-miles of road use as against 12.5 cents per 100 ton-miles for the owner of a 60,000-pound trailer-truck.

The survey also showed the same levies average 36 cents for the light panel and pick-up trucks generally used by farmers and local merchants.

Robert J. Menzie, executive secretary of the New York tax group, explained that a ton-mile is the movement of one ton over one mile of highway. He said the ton-mile unit "has become the generally accepted measurement of highway use and, therefore, the key to the fairness of highway taxation."

Fairest highway taxation in the nation is in Tennessee, the survey showed, where the heaviest trailer-trucks pay almost 80 per cent of what the motorists pay for each 100 ton-miles of road use. Unfairest is in Rhode Island, where the highway freighters pay less than 20 per cent.

Citing recent truck-tax hikes in nearly a dozen states, Menzie said, "There is a growing sentiment throughout the

nation—as the public becomes more aware of these inequities—that over-the-road truckers, now a major part of American business, should contribute a reasonable share of the costs of our highways."

He said the state with the lowest truck taxes is New Jersey, which collects 5.6 cents per 100 ton-miles from the owner of a 30-ton trailer-truck. Highest is South Carolina's 19.1 cents.

Most expensive state for motorists is Mississippi, which charges the owner of the average auto 56.2 cents for each 100 ton-miles of road use. New Jersey is again the cheapest, at 16.9 cents.

The survey also showed that Massachusetts has the highest, and Wisconsin the lowest taxes on light panel and pick-up trucks.

The total cost figures, Menzie explained, consist of gasoline taxes, registration fees, special motor carrier taxes and local property taxes. He said these charges have been compiled by the U.S. Bureau of Public Roads and the New York State Joint Legislative Committee on Highways, Canals and Revenues.

EXHIBIT P-64

NEW JERSEY AUTOMOBILE OWNERS, INC.
Incorporated 1938

155 EVERGREEN PLACE [Emblem] EAST ORANGE, N. J.
ORange 2-0416

Robert A. Fox
Executive Secretary

—OFFICERS—
James L. Macwithey
President
Frederick D. Stelljes
Executive Vice-President
Sigfrid Lonegren
Vice-President
William C. Moore
Vice-President
Frank W. Maxwell
Vice-President
Robert A. Fox
Secretary-Treasurer

—DIRECTORS—
Lawrence J. Dwyer
Catesby L. Jones
Victor Mosley
John A. Ward

Jules Tepper
Counsel

February 25, 1951

Dear Editor:

We realize that you have little interest in a interchange of letters betwen this organizatio and another newspaper. However, it is possibl that the same charges have been sent to you We, therefore, attach a copy of our letter to th Editor of the New Brunswick Home-News. Thi is so that you will have the facts at hand.

Sincerely,

Robert A. Fox, Secretary
NEW JERSEY AUTOMOBILE OWNERS, Inc

encl.

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John A. Ward

Jules Tepper
Counsel

February 26, 1951

Editor
The Home-News
New Brunswick, New Jersey

Dear Sir:

I am extremely sorry that we did not know until last Friday of your editorial of February 7th in which you ask about the origin and membership of the New Jersey Automobile Owners, Inc. We are glad to do as you suggest: "to tell the public something about its membership, its finances, and its sources of income."

These data have already been made public from time to time and are on file with the Secretary of State. For your information we enclose a copy of our last financial statement which we previously sent to you when it was first audited. While there are some minor errors in the Dun & Bradstreet report on the NJAO, we are attaching a copy issued largely as the result of inquiry made by certain truckers.

Founded in 1938, to oppose arbitrary restrictions and taxes, the New Jersey Automobile Owners, Inc., has consistently stood for fairer treatment of the motorist. Like almost every other automobile group throughout the country, the Auto Owners has, over the past few years, taken an active interest in the problems created by heavy trucks.

The New Jersey Motor Truck Association has attacked a folder issued by us. This folder is merely a reprint of chapter VI of the Fifth Report of the Commission on State Tax Policy. The text was reprinted exactly as it appeared in the original report with the exception that all registration fees were adjusted upward to give effect to Assembly Bill 3.

We are enclosing a copy of the booklet so that you may point out to Mr. Herrman two important facts which he apparently failed to read: 1) that the increased registration fees for trucks, passed by the 1950 Legislature, are included. They can be found on Table 34, and Table

87; (2) that the summary clearly states that the $220 annual registration fee is for a 21½ ton tractor-trailer combination. This type truck which is nearly 10 tons lighter than the heaviest legal vehicle in New Jersey, was used in the survey made by Griffenhagen & Associates. Both of these "errors" alleged by Mr. Herrman are deliberate attempts to becloud the important issue: that New Jersey, despite its heavy truck traffic, ranks low in revenue from big trucks.

February 26, 1951 —2

It is no surprise that the trucking spokesman failed to inform you of the true nature of the folder. But it is somewhat surprising that so well-informed a publication as yours did not recognize it. We are attaching a full copy of the State Tax Policy report exactly as it was submitted to the Governor and Legislature.

It is obvious that some segments of the trucking interest are endeavoring to hide their own shortcomings. Instead of presenting arguments to dispute the studied conclusions of tax experts in New Jersey and scores of other states, they set up the railroads as a straw man.

Do the truckers challenge the integrity of Governor Driscoll for his support of last year's legislation to reduce axle loads?

Or the motives of Governor Dewey with his proposal for a ton-mile tax on heavy trucks?

Or Governor Lausche of Ohio for his ringing demand for higher fees for heavy trucks?

And would the truckers attack the credentials of the Governors' Conference which so strongly urges a ton-mile tax as a key move toward more equitable highway taxation?

Or the entire membership of the American Association of State Highway officials who are unanimous in their plea for an 18,000 pound axle load to save our highways?

Among nearly 1000 members of the New Jersey Automobile Owners are many "known and respected people," to use your descriptive phrase regarding trucking association personnel. Our president is James L. Macwithey, vice-president of the Rubberset division of Bristol-Myers. He is former chairman of the East Orange City Council and now is chairman of the Roads Committee of the council. Among our vice presidents are such well-known business and civic leaders as William Moore, vice president, General Adjustment Bureau of New York; Sigfrid K. Lonegren, president of a nationally known wallpaper concern; Lawrence A. Dwyer, former head of the state organization of the Knights of Columbus.

At least three of our directors should be familiar to you: Cates Jones, former mayor of Bernardsville; John A. Ward, former mayor

Burlington; and Victor Mosley, former president of the Investment ankers Association. All three have been active civic leaders in many, any state-wide organizations. A recitation of members would add any men and women of similar experience and interest.

As to our finances, I wish we were as affluent as you represent us. ur fiscal year does not end until March 31, so we are unable to give p-to-date, audited figures. However, we are enclosing the report which e previously sent you. The New Jersey Automobile Owners, Inc., is nly able to operate because of earnest efforts of many volunteer work- rs who have contributed freely of their time and funds. Our annual

udget has come from three sources: membership dues, contributions, nd the sale of literature.

We draw upon many sources for factual material. These include the Bureau of Public Roads, various official state highway organizations, ailroads, and even trucking and automobile groups.

During the past several years I have personally talked before nearly hundred groups around the State. Many times listeners have asked bout "railroad affiliation." I think I can confidently say that I an- wered their questions and allegations to the complete satisfaction of very member of the audience. I have always found that true facts peak louder than irresponsible accusations.

The most stinging indictment of certain elements of the trucking ndustry is to be found in the Council of State Government's report Highway Safety and Motor Truck Regulation." We also enclose a copy f this for your perusal.

As you can see from this report, the problem of heavy trucking is ationwide. It will not be solved or removed by the ancient and dis- redited trucking charge of "railroad propaganda." Whenever we can rovide facts of interest to you and other members of the press in the tate, we shall continue to do so.

To sum up—this isn't a fight between the truckers and the railroads, s the long-haul truckers would have you believe. This is a movement o protect one of our state's greatest investments—its highways. This a taxpayers' struggle to prevent a greater burden of highway expen- itures being thrust on our shoulders, while out-of-state commercial arriers ride free. The New Jersey Automobile Owners, Inc., is not, ever has been, and has no intention of being a lobbying group or front" for any interest except the taxpaying motoring public.

Sincerely,

Fred D. Stelljes, vice president
NEW JERSEY AUTOMOBILE OWNERS, INC.

ncls.

EXHIBIT P-66

STELLJES TALK 10/24/51

FINANCING NEW JERSEY'S HIGHWAYS

ALL OF US HERE HAVE HEARD ABOUT NEW JERSEY'S HIGHWAY PROBLEMS. WE HAVE HEARD THAT OUR ROADS ARE BREAKING UP ALMOST AS FAST AS THEY CAN BE REPAIRED. WE READ IN THE NEWSPAPERS OF BRIDGES CRACKING UNDER THE STRAIN OF HEAVY VEHICLES. WE SEE FIRST HAND THE DENSE TRAFFIC ON OUR ROADS TODAY. ALL OF US HAVE HUNTED FOR PARKING SPACE IN OUR SHOPPING CENGERS. ALL OF US HAVE CREPT ALONG MAIN STREETS, HELD UP BY TRAFFIC LIGHTS, POLICEMEN, AND HUGE TRACTOR TRAILERS. AND ALL OF US HAVE DRIVEN ON OUR STATE HIGHWAYS AND KNOW THE ASTOUNDING INCREASE IN TRAFFIC AND TRAFFIC CONGESTION.

THIS WEAR AND TEAR ON OUR ROADS MEANS THAT MILLIONS OF DOLLAR OF TAXPAYERS MONEY MUST BE USED EVERY YEAR TO REPAIR OUR HIGHWAYS. AND, WORSE YET, THERE IS NOT ENOUGH MONEY LEFT OVER TO CARRY OUT THE TREMENDOUS NEW CONSTRUCTION WHICH IS SO DESPERATELY NEEDED. THE NEW JERSEY STATE HIGHWAY DEPARTMENT HAS PLANS WHICH CALL FOR THE EXPANSION OF OVER $8000,000,000 FOR CONSTRUCTION ALONE: $80,000,000 A YEAR FOR THE NEXT TEN YEARS JUST TO BRING OUR HIGHWAYS UP TO DATE. THAT IS MORE THAN THREE TIMES AS MUCH MONEY AS IS NOW BEING SPENT. THAT $800,000,000 DOES

MORE

NOT TAKE INTO ACCOUNT THE MILLIONS MORE NEEDED FOR LOCAL STREETS AND COUNTY ROADS. IT IS NO EXAGGERATION TO SAY THAT NEW JERSEY HAS A BILLION DOLLAR HIGHWAY PROBLEM.

—2—

THE REAL PROBLEM, THE BASIC NEED IN NEW JERSEY, IS TO FIND A FAIR AND WORKABLE PLAN FOR FINANCING THIS TREMENDOUS SUM.

THERE IS A SOLUTION THAT WILL GO FAR TO SOLVE THIS PROBLEM AND ENABLE US TO PLACE OUR HIGHWAYS ON A SOUND FINANCIAL BASIS—THIS IS A PLAN THAT WILL RAISE UPWARDS OF $20,000,000 WITHOUT HARDSHIP ON THE MAJOR MAJORITY OF HIGHWAY USERS IN NEW JERSEY. SUCH A SUM WOULD SOLVE MOST OF THE PROBLEMS FACING OUR STATE HIGHWAY OFFICIALS TODAY. THIS SUBJECT—THE FINANCING OF OUR ROAD SYSTEM—IS WHAT I WISH TO DISCUSS WITH YOU TONIGHT

PAUSE

BECAUSE OF ITS POSITION, NEW JERSEY CARRIES THE GREATEST HIGHWAY TRAFFIC IN THE WORLD. MUCH OF THE INDUSTRIAL AND FARM GOODS PRODUCED IN THE SOUTH, MID-WEST AND WEST PASSES OVER NEW JERSEY ROADS. TO INSURE RAPID, ECONOMICAL PASSAGE OF SUCH PRODUCTS, TRAFFIC MUST MOVE FREELY. IF NEW JERSEY ROADS ARE BREAKING UP, IF THEY ARE CROWDED AND CONGESTED, THIS IS NOT POSSIBLE. SO, I THINK THE BASIC HIGHWAY PROBLEMS ARE:

1) HOW TO MAINTAIN OUR ROADS AND

2) HOW TO GET THE MONEY TO DO THE JOB.

MORE

PAUSE

SOME OF THE MOST IMPORTANT MEN IN NEW JERSEY TODAY ARE THE HARD-WORKING ENGINEERS AND SKILLED ROAD TECHNICIANS WHO DOCTOR OUR PAVEMENTS AT THE FIRST SIGNS OF ILLNESS:—SUCH AS CRUMBLING SHOLDERS

CRACKED SLABS, SCALING, PUMPING OF THE ROAD SUB-SOIL, AND SO FORTH. BUT THE ONLY REAL CURE FOR THESE ROAD AILMENTS IS MONEY.

NOW WE CANNOT AFFORD TO COMPLETELY REBUILD OUR ROADS TO SUPPORT TODAY'S GIANT TRACTOR-TRAILER TRUCKS AND THE VASTLY INCREASED NUMBER OF VEHICLES ON OUR HIGHWAYS; THAT WOULD BE A STAGGERING AND AN IMPOSSIBLE JOB. BUT WE CAN PROTECT WHAT WE HAVE TODAY. WE CAN LIMIT THE TREMENDOUS LOADS THAT TRUCKS CARRY ON OUR HIGHWAYS.

I AM SURE THAT MOST OF YOU REMEMBER 1949 WHEN THE LEGISLATURE PASSED A BILL TO LIMIT THE AXLE LOADS OF BIG TRUCKS TO 22,400 POUNDS. WE OF THE NEW JERSEY AUTOMOBILE OWNERS THINK THAT THIS FIGURE WAS FAR TOO LIBERAL TO INSURE ADEQUATE ROAD PROTECTION. WE THINK THE STATE SHOULD ADOPT THE STANDARD OF 18,000 POUNDS PER AXLE. THIS IS THE STANDARD IN 34 STATES AND IS RECOMMENDED BY EVERY COMPETENT HIGHWAY AUTHORITY. BUT THE TRUCKING INDUSTRY, MORE INTERESTED IN QUICK PROFITS THAN YOUR HIGHWAYS, THOUGHT OTHERWISE. THEY FORCED THE LEGISLATURE TO ADOPT A WEIGHT LIMIT WHICH IS WAY TOO HIGH FOR OUR NEW JERSEY ROADS.

BUT LET'S GET TO THE BIG QUESTION: HOW CAN WE GET THE DOLLARS NEEDED TO MAINTAIN OUR ROADS AT PEAK EFFICIENCY? MANY GROUPS—THE TAXPAYER, THE TRUCKER, THE MOTORIST, THE STATE OFFICIAL—HAVE OFFERED SUGGESTIONS ON HOW THIS CAN BE DONE. I WOULD LIKE TO READ TO YOU WHAT YOUR STATE TAX POLICY COMMISSION HAS TO SAY ON THIS SUBJECT. THIS TAX POLICY COMMISSION IS AN OFFICIAL COMMITTEE HEADED

—4—

BY DR. JOHN SLY, DIRECTOR OF THE PRINCETON SURVEYS. IN ITS FIFTH REPORT TO THE GOVERNOR AND THE LEGISLATURE, THE COMMISSION SAYS:

"... THE COMMISSION RECOMMENDS THE ADOPTION OF A MILEAGE TAX ON ALL MOTOR CARRIERS—COMMON, CONTRACT, AND PRIVATE—WEIGHING OVER 8000 POUNDS, WHICH OPERATE ON THE HIGHWAYS OF THE STATE, WHETHER THEY ARE REGISTERED IN NEW JERSEY OR OTHER STATES."

PAUSE

I WOULD LIKE TO EMPHASIZE THAT THERE ARE TWO BASIC AND VERY IMPORTANT PRINCIPLES IN THIS CHAPTER OF THE COMMISSION'S REPORT. FIRST, THE COMMISSION FAVORS A "PAY—AS—YOU—GO" TAX ON BIG COMMERCIAL TRUCKS. THE PHRASE—"ADOPTION OF A MILEAGE TAX"—MEANS, IN SIMPLE LANGUAGE, THAT A GROSS TON-MILE TAX BASED ON WEIGHT CARRIED AND MILEAGE DRIVEN WOULD BE ASSESSED AGAINST EVERY BIG TRUCK ROLLING OVER OUR HIGHWAYS. AT PRESENT, SOME 15 STATES USE VERSIONS OF THE GROSS TON MILE

TAX IN PROGRAMS TO PROTECT THEIR ROADS AND MAKE THEM REASONABLY SELF-SUPPORTING.

PAUSE

THE SECOND IMPORTANT IDEA EXPRESSED IN THE COMMISSION'S REPORT IS THAT OUT-OF-STATE TRUCKS WILL BE REQUIRED TO CONTRIBUTE TO THE UPKEEP OF OUR ROADS, AND OUR STATE HIGHWAY OFFICIALS TELL US THAT ABOUT 30 PER CENT OF THE TRUCKS ON OUR ROADS BEAR OUT-OF-STATE LICENSE TAGS. AT PRESENT, THESE TRUCKS ARE NOT REQUIRED TO PAY ANY TAXES TO THE STATE OF NEW JERSEY FOR THE USE OF OUR ROADS. THE ONLY MONEY WHICH THESE LONG HAUL TRUCKERS MIGHT PAY IS A FEW PENNIES GAS TAX.

HERE'S WHAT THE TAX POLICY COMMISSION SAYS:

—5—

"SUCH A TAX, YIELDING APPROXIMATELY $9,000,000 WOULD REOMOVE SOME OF THE INEQUITIES OF THE PRESENT STRUCTURE WITH REGARD GO PAYMENTS OF VARIOUS SIZES OF VEHICLES. IT WOULD AVERT FURTHER HIGHWAY INDEBTEDNESS AND IT WOULD ALLOW SOME RELIEF FOR THE GENERAL PROPERTY TAXPAYERS."

THE TAX RATE RECOMMENDED BY THE TAX POLICY COMMISSION IS ONE HALF MILL FOR EACH GROSS-TON-MILE DRIVEN BY A TRUCK WEIGHING OVER 8000 POUNDS. THIS RATE IS EXACTLY ONE HALF THAT OF OREGON'S. IT IS LESS THAN THE RATE IN NEW YORK STATE. AND THE NEW JERSEY AUTOMOBILE OWNERS BELIEVE THAT IT IS ABOUT ONE HALF WHAT IT

SHOULD BE. WE BELIEVE THAT THE TAX SHOULD RAISE $20,000,000 . . . NOT THE $9,000,000 ESTIMATED BY THE COMMISSION.

REMEMBER THIS—MUCH OF THIS TAX WOULD BE PAID FOR BY THE OUT-OF-STATE TRUCKER WHO NOW PAYS NOTHING TO NEW JERSEY. HE DAMAGES OUR ROADS AND GOES OFF "SCOTT-FREE" WHOLE WE, THE TAXPAYERS, THE MOTORISTS, AND TRUCKERS OF NEW JERSEY PAY THE BILLS.

NOW I ASK YOU—DO YOU THINK IT IS FAIR THAT NEW JERSEY, WHOSE ROADS BEAR THE HEAVIEST CONCENTRATION OF HEAVY TRUCK TRAFFIC IN THE WORLD—CONTINUE THIS PRESENT TYPE OF FINANCING? DO YOU THINK IT IS FAIR TO SAY TO THE OUT-OF-STATE TRUCKER: "YOU USE OUR ROADS, YOU WRECK OUR BRIDGES, BUT WE WILL GLADLY PAY THE BILLS?"

GOOD HIGHWAYS RE IMPORTANT TO THE TRUCKING INDUSTRY. THEY MAKE THEIR PROFITS BY FAST DELIVERY, BY MEETING SCHEDULES. THE TRUCKING INDUSTRY HAS MORE TO GAIN FROM BETTER HIGHWAYS THAN ANY

SINGLE GROUP. AND THEY ARE WILLING TO INVEST MORE MONEY . . . IF IT MEANS BETTER HIGHWAYS. THE TRUCKING INDUSTRY IS WILLING TO PAY MORE TAXES ON THE BASIS OF SELF INTEREST. AS JOHN V. LAWRENCE, MANAGING DIRECTOR OF THE AMERICAN TRUCKING ASSOCIATION SAYS: "ABOUT 57 PER CENT OF OUR MAJOR HIGHWAYS MUST BE REPLACED BY 1960."

NOW LET'S SEE WHO IS PAYING FOR THE HIGHWAYS TODAY. MANY OF YOU ARE PROPERTY OWNERS AND PAY TAXES. YOU MAY BE SUR-

PRISED TO KNOW THAT YOUR PROPERTY TAX DOLLARS ARE PAYING A VERY SUBSTANTIAL SHARE OF THE COSTS OF HIGHWAYS. AND YOU ARE PAYING MORE AND MORE EACH YEAR. HERE ARE THE FACTS.

IN 1940, HIGHWAY-USER-TAXES—THAT IS, GASOLINE TAX, REGISTRATION AND LICENSE FEES—PAID FOR 87 PER CENT OF ALL THE NEW JERSEY HIGHWAY EXPENDITURES. THE YEAR . . . 1951 . . . THOSE SAME TAXES WILL PAY FOR ONLY ABOUT 55 PER CENT OF THE TOTAL. IN OTHER WORDS, THE PROPERTY OWNER . . . YOU AND I AND YOUR NEIGHBOR . . . ALREADY THE LARGEST TAXPAYER IN THE STATE, IS NOW PAYING 45 PER CENT OF ALL HIGHWAY COSTS. AND ONLY 10 YEARS AGO WE CONTRIBUTED JUST 13 PER CENT. OR, TO PUT IT THE OTHER WAY, THE PEOPLE WHO ACTUALLY USE THE HIGHWAYS ARE PAYING LESS AND LESS.

IN ADDITION TO THIS, WE FIND THAT THE DISTRIBUTION OF THE MONEY IS OUT OF LINE. IN 1950, TOTAL HIGHWAY-USER REVENUES FOR NEW JERSEY AMOUNTED TO ABOUT $64,000,000 . . . MORE THAN ONE THIRD OF THE STATE BUDGET. OUR COUNTY AND MUNICIPAL GOVERNMENTS ARE RESPONSIBLE FOR 91 PER CENT OF ALL

ROAD MILEAGE IN THE STATE, BUT TO MAINTAIN THESE 25,748 MILES OF PAVING LOCAL GOVERNMENTS RECEIVE ABOUT $15,000,000 IN STATE AID . . . ABOUT 23 PERCENT OF HIGHWAY-USER FEES COLLECTED.

SO LOCAL ADMINISTRATION . . . YOUR TOWN, YOUR COUNTY . . . HAD TO RAISE MORE THAN

$30 MILLION, TAKING IT FROM YOUR PROPERTY TAXES. THAT'S ONLY HALF THE STORY. THE STATE, WHICH HAS THE RESPONSIBILITY FOR ONLY 1,758 MILES OF STATE ROADS, KEPT MOST OF THE MONEY RAISED FROM GASOLINE TAXES, LICENSE AND REGISTRATION FEES . . : ALMOST ALL OF WHICH WAS PAID BY YOU, THE MOTORIST. WHY? BECAUSE—OUR MAIN ROADS ARE TAKING SUCH A BEATING THAT THE STATE MUST SPEND MANY MILLIONS OF DOLLARS KEEPING THESE MAIN ROUTES REPAIRED. THESE ARE THE ROADS THAT CARRY ALMOST 90 PER CENT OF THE OUT-OF-STATE TRUCK TRAFFIC. THE EXPERTS SAY THAT THE MOST LOGICAL ANSWER TO ALL THESE PROBLEMS IS A MILEAGE TAX ON HEAVY TRUCKS . . . A TON-MILE TAX A WEIGHT-DISTANCE TAX—THE TAX IS THE SAME THOUGH THE NAME MAY BE DIFFERENT. IT IS A HIGHWAY USE TAX.

JUST WHAT IS THIS TON-MILE TAX? A TON-MILE-TAX IS BASED ON THE FACT THAT HIGHWAY WEAR IS RELATED TO WEIGHT AS WELL AS TO USE IT IS A YARDSTICK FOR MEASURING THE MOVEMENT OF ONE TON ONE MILE. THE VEHICLE OWNER PAYS IN DIRECT PROPORTION TO THE NUMBER OF TON MILES DRIVEN. FOR EXAMPLE, AN ORDINARY PASSENGER CAR WEIGHING ONE AND ONE HALF TONS AND MAKING A 100 MILE TRIP USES THE HIGHWAYS TO THE EXTENT OF ONE AND ONE HALF TIMES 100 MILES OR 150 GROSS-TON-MILES. A 10 TON TRACTOR TRAILER WITH A 20 TON PAY LOAD, MAKING THE

SAME TRIP, WOULD HAVE A GROSS-TON-MILE INDEX OF 3000—20 TIMES AS MUCH HIGHWAY USE. THE WAY THE STATE GETS ITS MONEY IS THIS:—

EITHER BY TAXING ON THE BASIS OF GROSS-TON MILE USE OR BY SETTING REGISTRATION FEES ON A TON-MILE BASIS.

PAUSE

THE FAIRNESS OF THIS METHOD OF HIGHWAY TAXATION WAS POINTED OUT BY YOUR STATE TAX POLICY COMMISSION. STUDYING THE FACTS, THE COMMISSION FOUND THAT PASSENGER CARS AND SMALL TRUCKS PAY MORE THAN THEIR PROPER SHARE OF HIGHWAY COSTS. APPLYING THE TON-MILE YARDSTICK TO THE 1949 STATE HIGHWAY EXPENDITURES, PASSENGER CAR OWNERS EACH PAID $6.29 MORE THAN THEIR SHARE OF HIGHWAY COSTS. THIS OVERPAYMENT TOTALED $7,070,000.

OWNERS OF SMALL TRUCKS—WEIGHING LESS THAN FOUR TONS—WERE ALSO BEING HOOKED. THE FARMER, THE PLUMER, THE ELECTRICIAN, THE LAUNDRYMAN ALL OVERPAID ANYWHERE FROM $6.86 TO $16.68 EACH .... ON THE BASIS OF HIGHWAY USE.

BUT THE BIG FELLOW—THE TRACTOR-SEMI-TRAILER COMBINATION—GETS MORE OR LESS A FREE RIDE ON NEW JERSEY HIGHWAYS. THE COMMISSION ESTIMATES THAT, ON A TON-MILE BASIS, A BIG TRUCK UNDERPAYS ITS FAIR SHARE OF HIGHWAY COSTS BY AS MUCH AS $451.29 A YEAR. APPLY THAT SUM TO EVEN A SMALL PORTION OF THE STATE'S THOUSANDS OF TRUCKS AND YOU GET AN IDEA OF THE SIZE OF NEW JERSEY'S MISSING HIGHWAY REVENUES.

AS A MATTER OF FACT, THE STATE OF NEW JERSEY RECEIVES LESS REVENUE FROM BIG TRUCKS THAN ANY OTHER STATE. WE ARE AT

THE BOTTOM OF THE LIST IN TRUCK TAXES . . . NO. 48. AND LET ME REPEAT . . . NEW JERSEY HAS THE HEAVIEST TRUCK TRAFFIC IN THE WORLD.

TODAY, OUT-OF-STATE TRUCKERS ARE FINDING OUR MAIN HIGHWAYS TOO CONGESTED AND TOO DAMAGED . . . A SITUATION THAT THEY THEMSELVES CREATED. SO NOW THE BIG TRUCKER TAKES TO COUNTRY ROADS NEVER BUILT TO CARRY SUCH STAGGERING WEIGHTS. I SPENT A GREAT DEAL OF TIME IN SUSSEX COUNTY, AND I CAN TELL YOU THAT THIS HIGHWAY PROBLEM IS VERY SERIOUS UP THERE. FARMERS AND MILK DEALERS MUST HAVE GOOD ROADS TO GET THEIR PRODUCTS TO MARKET, BUT THEY CANNOT DO IT WHEN THEIR ROADS ARE RUTTED AND TORN BY HEAVY COAL TRUCKS FROM PENNSYLVANIA. THE RURAL COUNTIES NEED HELP TO PAY FOR REBUILDING THESE DAMAGED ROADS.

YOU MAY HAVE HEARD THE STATEMENTS THAT THE TRUCKING INDUSTRY PAYS MILLIONS OF DOLLARS IN TAXES . . . TAXES WHICH ACCOUNT FOR 30 PER CENT OF ALL HIGHWAY USER REVENUES. BUT LET'S SEE WHAT THE REAL FACTS ARE: THERE ARE ABOUT 220,000 TRUCKS REGISTERED IN NEW JERSEY. ABOUT 5 PER CENT—15,000 ALL TOLD—ARE BIG GRUCKS . . . TRUCKS THAT WEIGH 12 TONS OR MORE. THESE ARE THE TRUCKS WHICH THE TAX POLICY COMMISSION SAYD ARE NOT PAYING ENOUGH. IN ORDER TO MAKE A GOOD CASE FOR THEMSELVES, THE BING LONG-HAUL TRUCKERS TALK ABOUT ALL TRUCKS. THEY INCLUDE ALL THE SMALL DELIVERY TRUCKS, GOOD HUMOR WAG-

ONS, LOCAL COAL TRUCKS, ETC. WHO DRIVE A FEW THOUSAND MILES ANY YEARS. THEY HAVE ABSOLUTELY NOTHING IN COMMON WITH THE HUGE TRACTOR-TRAILER COMBINATIONS. YET TO COVER UP THEIR OWN FAILURE TO PAY TAXES, THE BIG TRUCKERS SPREAD A TENT OVER THE WHOLE INDUSTRY.

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EVEN MORE TO THE POINT IS THE FACT THAT THE SMALL TRUCKS—ONLY TWO OR THREE TIMES AS HEAVY AS AN AUTOMOBILE—DO NOT DAMAGE HIGHWAYS, THE GIANT TRUCKS, WEIGHING 40, 50, AND 60 THOUSAND POUNDS DO THE REAL DAMAGE. BUT BY TAKING CREDIT FOR THE TAXES PAID BY THE LITTLE FELLOWS, THESE BIG BOX CARS IMPLY THAT THEY PAY NOT ONLY THEIR FAIR SHARE, BUT ALSO PAY FOR ANY AND ALL DAMAGE. IT JUST IS NOT SO.

ACCORDING TO A STUDY MADE BY A NEW YORK LEGISLATIVE COMMITTEE THIS FALL, A 30 TON COMBINATION TRACTOR-TRAILER PAYS NEW JERSEY AN AVERAGE OF $810 A YEAR: $360 FOR REGISTRATION, $450 FOR GAS TAXES. THAT SAME TRUCK IN COLORADO WOULD PAY $2667. . . . IN FLORIDA: $2445; IN ILLINOIS: $1631; IN NEW YORK: $2285. AND RIGHT AT THE BOTTOM: NEW JERSEY: $810.

PAUSE

IT IS EVIDENT THAT . . . . . TAX-WISE . . . . NEW JERSEY HAS NOT RECOGNIZED THE CHANGING CONCEPT OF TRANSPORTATION. HERE IS A VAST, NEW, POWERFUL PROFITABLE AND IMPORTANT INDUSTRY WHICH USES PUBLIC FACIL-

ITIES DAY AND NIGHT. YET WE, AS CITIZENS AND GOVERNMENTS, HAVE NOT YET REVISED OUR TAX STRUCTURE SO THAT THEIR CONTRIBUTE THEIR FAIR SHARE TO THE COSTS OF GOVERNMENT. AND REMEMBER THIS: ANY TAX MONEY FROM HIGHWAY USERS SHOULD BE USED AS AN INVESTMENT IN THE FUTURE . . . AN INVESTMENT IN BETTER HIGHWAYS.

WELL, TO GET BACK TO THE TON-MILE TAX.

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THE TAX POLICY COMMISSION ESTIMATES THAT IT WILL YIELD $9,000,000. WE OF THE NEW JERSEY AUTOMOBILE OWNERS BELIEVE THAT A FAIR TAX SHOULD RETURN AN EXTRA $20,000,000. WHAT SHOULD HAPPEN TO THIS MONEY?

THE TAX COMMISSION HAS TWO SUGGESTIONS:

1) SPEND ONE HALF OF THE MONEY ON STATE HIGHWAYS:

2) USE THE OTHER $4,500,000 EITHER TO REDUCE THE PAYMENTS OF PASSENGER CAR OWNERS OR TO INCREASE STATE AID TO LOCAL GOVERNMENTS TO HELP MEET THE RISING COSTS OF LOCAL ROADS. THERE ARE MANY GOOD ARGUMENTS FOR BOTH OF THESE PROPOSALS.

NEW JERSEY SPENDS AT LEAST $125,000,000 ON ITS ROADS, STREETS, AND HIGHWAYS EVERY YEAR. OUR HIGHWAY USER REVENUES ARE NOW ABOUT $75,000,000. THAT MEANS THAT AT LEAST $50,000,000 OF LOCAL TAXES ARE USED FOR HIGHWAYS. IT POINTS UP WHAT I SAID EARLIER . . . THAT PROPERTY OWNERS ARE FORCED TO PAY A LARGER AND LARGER SHARE OF HIGHWAY

COSTS. THE TRUTH IS THAT UNTIL WE GEG ADDIGIONAL HIGHWAY REVENUES, WE WILL BE DIVERTING TO OUR ROADS MONEY THAT SHOULD BE SPENT FOR LOCAL SERVICES: SCHOOLS, HEALTH, RECREATION, ETC.

THE FAIR THING TO DO IS TO SEE TO IT THAT THE LONG-HAUL TRUCKING INDUSTRY CONTRIBUTES ITS SHARE TO THE COSTS OF LOCAL GOVERNMENT. THESE ARE THE RECOMMENDATIONS OF THE TAX POLICY COMMISSION, THE COUNCIL OF STATE GOVERNMENTS, THE BUREAU OF PUB

LIC ROADS, AND SCORES OF OTHER OFFICIAL GROUPS. THEY ALL FIRMLY BELIEVE THAT THE FAIREST WAY TO SHARE ROAD COSTS IS ON A "USE" BASIS . . . BY A TON-MILE TAX.

PAUSE

WE OF THE NEW JERSEY AUTOMOBILE OWNERS CONSIDER THAT THE LONG HAUL TRUCKING INDUSTRY IS ONE OF THE YOUNG GIANTS OF OUR DAY. EVERY DAY IT IS BECOMING MORE IMPORTANT. BUT THE TIME HAS COME WHEN THE TRUCKING INDUSTRY MUST STAND ON ITS OWN FEET . . . IT CAN NO LONGER ACCEPT A FREE RIDE ON THE PUBLIC ROADS. WITH GOVERNMENT COSTS RISING, WITH DREAMS FOR NEW AND BETTER SERVICES, THE LOCAL TAXPAYERS SHOULD NOT BE ASKED TO CARRY THE LOAD FOR BUILDING AND MAINTAINING OUR HIGHWAYS. THE LONG HAUL TRUCKERS, BOTH WITHIN THE STATE AND FROM WITHOUT, MUST ASSUME A FAIR SHARE OF THE COSTS OF ALL GOVERNMENTAL SERVICES . . . . AND THEY INCLUDE SAFE, STRONG HIGHWAYS.

THE EXPERTS TELL US THAT THE FAIREST, SOUNDEST WAY TO DO THIS IS TO ENACT A TON MILE TAX. NEW JERSEY NEEDS MONEY FOR ITS HIGHWAYS AND ITS GOVERNMENT. THE LONG HAUL GRUCKERS ARE NOT NOW PAYING THEIR FAIR SHARE. WE ASK YOU TO JOIN WITH US IN TELLING THIS IMPORTANT STORY TO YOUR FELLOW CITIZENS. ONLY IN THIS MANNER CAN WE EVER EXPECT TO CORRECT THIS UNFAIR SITUATION. ONLY IN THIS WAY CAN WE HOPE THAT OUR LEGISLATORS WILL DEVISE SOME STATUTE TO REQUIRE BIG OUT-OF-STATE TRUCKERS TO PAY THEIR SHARE OF ROAD COSTS AND GOVERNMENT SERVICES. THEN, PERHAPS, WE CAN MODERNIZE OUR TAX METHODS USED TO FI-

NANCE OUR HIGHWAYS.

WE BELIEVE THAT THE FAIR WAY, THE SOUND WAY, IS TO ADOPT A GROSS-TON-MILE TAX. WE BELIEVE THAT THIS WILL MAKE CERTAIN THAT THE PEOPLE WHO USE OUR HIGHWAYS FOR PROFIT WILL PAY THEIR FAIR SHARE OF HIGHWAY COSTS. THESE ARE THE FACTS . . . . . WE HOPE YOU WILL AGREE THIS IS THE SOLUTION.

EXHIBIT P-67A

[Handwritten notation:

New Jersey Herald
Sussex County Independent]

FROM: Robert A. Fox
New Jersey Automobile Owners, Inc.
155 Evergreen Place
East Orange, New Jersey
ORange 2-0416

SPARTA ROTARY CLUB HEARS HIGHWAY COST PROBLEMS DISCUSSED

F. D. Stelljes, Auto Club Exec, Cites Damage by Trucks, Asks Tax Revision

The immediate need for revising present highway user tax methods was stressed today (September 18) by Fred D. Stelljes, vice president of the New Jersey Automobile Owners, Inc., in a luncheon address before the Sparta Rotary Club at the Manor Farms.

He said the financial burden on property owners today has resulted in an unfair hardship and proposed that the trucking industry assume a larger share of road costs.

In what he termed the "unfairness of current New Jersey highway taxes," Mr. Stelljes told assembled Rotarians that passenger car owners pay too much and big trucks too little. He said:

"Using the accepted unit of measure of highway use, the ton-mile, we discover that we passenger car owners pay about $6.29 more than our fair share of highway costs."

"That over payment totals more than $7,000,000 a year."

He stated that big trucks underpay their proper share of road costs by as much as $451.29 a year.

"Apply that sum to even a portion of the state's thousands of trucks and to the many thousands of out-of-state trucks and you get some inkling of New Jersey's missing

highway revenue. If big out-of-state trucks, which now pay nothing for the use of our roads, paid their fair share there would be few highway problems."

He explained that under today's highway finance practices the private motorist, the light farm-to-market truck operators, light panel truck owners and property owners foot the bill for highway construction and maintenance.

Confused Highway Picture

There is no true relationship in the present highway tax structure between the amount of taxes paid and the amount of benefit obtained from highway use, Mr. Stelljes said.

He explained that in 1940 highway user taxes—gas taxes, registration and license fees—accounted for 87 per cent of all highway expenditures while today they provide only 55 per cent of the total.

This means that local property taxes are being diverted to make up the 45 per cent difference, the speaker said, stressing that property owners are now paying almost half of all street and road costs whether or not they own an automobile.

A solution to the problem is outlined in the recent issue of the State Tax Policy Commission's fifth report, Mr. Stelljes said. The Commission recommends that a mileage tax be adopted on all motor carriers of 8,000 pounds or more.

He said that revenue from such a tax has been estimated at $9 million—a sum that would go a long way toward solving the present highway finance problem.

Quotes Tax Commission

The recommendations of the Tax Policy Commission, according to Mr. Stelljes do not set a precedent. Fourteen states already have in operation modifications of the Commission's ton-mile tax, he said. They report that it has removed many inequities from the older highway finance system adopted before trucking grew into a gigantic post-

war industry rolling up 142 billion ton-miles each year on the public roads, Mr. Stelljes stated.

"New Jersey, the most truck-traveled state in the nation, has the most to gain from the ton-mile tax and the most to lose if our highway finances remain in their present jumbled condition," Mr. Stelljes said.

Stelljes said that the people scored a victory in the recent legislation to limit truck axle loads and to protect New Jersey highways and bridges.

"Now," he concluded, "we must take steps to place the cost of our highways on a fair basis by levying taxes according to highway use."

Frank Wheeler, program chairman of the Rotary, led a question-and-answer period after the speaker concluded. Discussion centered on Assembly Bill 13, passed in the special session of the legislature late this spring, as well as on the relief this proposal tax measure would give to property owners in this state.

EXHIBIT P-67B

[Handwritten notation:
Butler Argus]

FROM: Robert A. Fox
New Jersey Automobile Owners, Inc.
155 Evergreen Place
East Orange, New Jersey
ORange 2-0416

BUTLER ROTARY CLUB HEARS HIGHWAY COST PROBLEMS DISCUSSED

F. D. Stelljes, Auto Club Exec, Cites Damage by Trucks Asks Tax Revision

The immediate need for revising present highway user tax methods was stressed today (September 21) by Fred D. Stelljes, vice president of the New Jersey Automobile Owners, Inc., in a luncheon address before the Butler Rotary Club at the Northwood Inn.

He said the financial burden on property owners today has resulted in an unfair hardship and proposed that the trucking industry assume a larger share of road costs.

In what he termed the "unfairness of current New Jersey highway taxes," Mr. Stelljes told assembled Rotarians that passenger car owners pay too much and big trucks too little. He said:

"Using the accepted unit of measure of highway use, the ton-mile, we discover that we passenger car owners pay about $6.29 more than our fair share of highway costs."

"That over payment totals more than $7,000,000 a year."

He stated that big trucks underpay their proper share of road costs by as much as $451.29 a year.

"Apply that sum to even a portion of the state's thousands of trucks and to the many thousands of out-of-state trucks and you get some inkling of New Jersey's missing

highway revenue. If big out-of-state trucks, which now pay nothing for the use of our roads, paid their fair share there would be few highway problems."

He explained that under today's highway finance practices the private motorist, the light farm-to-market truck operators, light panel truck owners and property owners foot the bill for highway construction and maintenance.

Confused Highway Picture

"There is no true relationship in the present highway tax structure between the amount of taxes paid and the amount of benefit obtained from highway use, Mr. Stelljes said.

He explained that in 1940 highway user taxes—gas taxes, registration and license fees—accounted for 87 per cent of all highway expenditures while today they provide only 55 per cent of the total.

This means that local property taxes are being diverted to make up the 45 per cent difference, the speaker said, stressing that property owners are now paying almost half of all street and road cost whether or not they own an automobile.

A solution to the problem is outlined in the recent issue of the State Tax Policy Commission's fifth report, Mr. Stelljes said. The Commission recommends that a mileage tax be adopted on all motor carriers of 8,000 pounds or more.

He said that revenue from such a tax has been estimated at $9 million—a sum that would go a long way toward solving the present highway finance problem.

Quotes Tax Commission

The recommendations of the Tax Policy Commission, according to Mr. Stelljes do not set a precedent. Fourteen states already have in operation modifications of the Commission's ton-mile tax, he said. They report that it has removed many inequities from the older highway finance system adopted before trucking grew into a gigantic post-

war industry rolling up 142 billion ton-miles each year on the public roads, Mr. Stelljes stated.

"New Jersey, the most truck-traveled state in the nation, has the most to gain from the ton-mile tax and the most to lose if our highway finances remain in their present jumbled condition," Mr. Stelljes said.

Stelljes said that the people scored a victory in the recent legislation to limit truck axle loads and to protect New Jersey highways and bridges.

"Now," he concluded, "we must take steps to place the cost of our highways on a fair basis by levying taxes according to highway use."

William C. Curnow, Jr., program chairman of the Exchange, led a question-and-answer period after the speaker concluded. Discussion centered on Assembly Bill 13, passed in the special session of the legislature late this spring, as well as on the relief this proposal tax measure would give to property owners in this state.

—0—

EXHIBIT P-67C

[Handwritten notation:
Lambertville Record]

FROM: Robert A. Fox
New Jersey Automobile Owners, Inc.
155 Evergreen Place
East Orange, New Jersey
ORange 2-0416

ROTARIANS REVIEW FINANCE PLAN FOR JERSEY HIGHWAYS

F. Stelljes, Auto Club Official, Explains "Pay-As-You-Go" Tax on Highway Users

Advocating pay-as-you-use methods of highway taxation, Fred D. Stelljes, vice president of the New Jersey Automobile Owners, Inc., today (September 18) called for revision of New Jersey's highway tax structure to relieve property taxpayers and shift a fair share of road costs to those using them for commercial profit. Stelljes made the statement in an address before the Lambertville Rotary Club here at the Lambertville Home.

Stelljes advanced a theory of highway taxation currently in use in 17 states. He described it as a gross-ton-mile levy and claimed it is "the most equitable form of highway taxation."

"Today thousands of heavy out-of-state vehicles use our roads and pay little or nothing for use of the highways," Stelljes said. "Adoption of such a levy will place our highways on a sound financial basis."

Referring to the recently issued Fifth Annual Report of the State Tax Policy Commission, Stelljes said the Commission recommends adoption of a mileage tax on all motor carriers over 8,000 pounds. This tax, he said, would raise an estimated $9,000,000 additional highway revenue. "If this money was used on our roads," he said, "it would go a long way toward solving our present highway problems.

Since highway officials tell us our roads are breaking up faster than we can build them, I don't have to tell you how serious our highway problems are today," Stelljes said. "But the biggest single problem is: how and where are we going to find the needed millions of dollars to keep our roads in first-class condition? A ton-mile tax seems to be the answer."

Stelljes said that the Commission's report was precedent-breaking in that it proposed that out-of-state truckers are now getting "a free ride" on New Jersey's highways be required to contribute to the upkeep of roads used by those interstate carriers.

In a review of highway-user revenues for the past decade, Stelljes pointed out that in 1940 license fees, gas taxes and registration fees accounted for 87 per cent of all highway expenditures. Today, he added, only 55 per cent of the money spent for roads come from highway-user revenues. The other 45 per cent, Stelljes asserted, is raised by local administrators who take from property taxes.

Paul Mulloy, program chairman of the club, led a question-and-answer session following the address. The discussion included a review of the proposed ton-mile tax as well as interpretations by Stelljes of Assembly Bill 13, passed by the legislature earlier this year, which limits axle loads of trucks.

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EXHIBIT P-67D

[Handwritten notation:

Summit Herald
Irvington Herald & Times
Millburn-Short Hills News]

FROM: Robert A. Fox
New Jersey Automobile Owners, Inc.
155 Evergreen Place
East Orange, New Jersey

MILLBURN ROTARY CLUB HEARS FINANCE PLANS FOR JERSEY HIGHWAYS

F. Stelljes, Auto Club Official, Explains "Pay As-You-Go" Tax on Highway Users

The immediate need for placing the financial burden of New Jersey highways on those that use and damage them the most was stressed today (Sept. 5) by Fred D. Stelljes, vice president of the New Jersey Automobile Owners, in an address at a luncheon meeting of the Millburn Rotary Club at The Chanticleer.

"Today thousands of heavy out-of-state trucks use our roads and pay little or nothing toward their support," Mr. Stelljes said, and explained that under present highway finance practices it is the private motorist, the light farm-to-market truck operators and property owners that foot the bill for highway construction and maintenance.

Today's confused highway financing hits the New Jersey farmer directly, according to Mr. Stelljes, who pointed out that while not long ago local farmers supplied the bulk of the farm produce for the state and neighboring metropolitan areas, in recent years long-haul trucks carrying produce grown in distant areas have captured many of the markets.

"And they have been able to do that only because a large portion of our tax dollar has been devoted to the building of fine highways that allow outsiders to compete unfairly with us," Mr. Stelljes said.

(MORE)

A solution to the problem is outlined in the recent issue of the State Tax Policy Commission's fifth report, Mr. Stelljes said. The Commission recommends that a mileage tax be adopted on all motor carriers of 8,000 pounds or more, according to the speaker, and revenue from such a tax has been estimated at $9 million—a sum that would go a long way toward solving the present highway finance problem.

Summing up highway revenues of the last decade, Mr. Stelljes pointed out that 1940 license fees, gas taxes and registration accounted for 87 per cent of all highway expenditures. Today, he explained, only 55 per cent of money spent for roads come from highway revenues, the remainder coming from general taxes such as the property tax.

The recommendations of the Tax Policy Commission according to Mr. Stelljes, do not set a precedent. Fourteen states already have in operation modifications of the Commission's ton-mile tax and report that it has removed many inequities from the older highway finance system adopted before trucking grew to a gigantic industry rolling up 142 billion ton-miles each year on the public roads.

"New Jersey, the most truck-traveled state in the nation, has the most to gain from the ton-mile tax and the most to lose if our highway finances remain in their present jumbled condition," Mr. Stelljes said.

—0—

EXHIBIT P-67E

FROM: Robert A. Fox
New Jersey Automobile Owners, Inc.
155 Evergreen Place
East Grange, New Jersey

SUSSEX ROTARY CLUB HEARS NEW PLAN FOR FINANCING HIGHWAYS

Fred Stelljes, Auto Club Exec., Explains "Pay-as-you-use" Levy on Road-users

SUSSEX—Advocating a pay-as-you-use form of highway taxation, Fred D. Stelljes, vice president of the New Jersey Automobile Owners, Inc., today (June 22) called for a revision of our highway tax structure to relieve general taxpayers and shift a fair share to those using the roads for commercial profit. Stelljes made the statement before the Rotary Club here at their weekly luncheon meeting at the Harrison House.

Stelljes advanced a theory of highway taxation currently being used in 17 states. He described it as a gross-ton-mile tax and "the most equitable form of highway taxation."

"If you don't use the highways, you don't pay; if you use the roads, you pay in direct proportion to your use of those roads," he said.

Referring to the recently issued Fifth Annual Report of the State Tax Policy Commission, Stelljes said the Commission recommends adoption of a mileage tax on all motor carriers over 8,000 pounds. This tax, he said, would raise an estimated $9,000,000 additional highway revenue. "If this money was used on our roads," he said, "it would go a long way toward solving our present highway problems.

"With our roads breaking up faster than we can build them and since we still owe more than $60,000,000 for our highways, I don't have to tell you how serious our

highway problems are today," Stelljes said. "But the biggest single problem is: how and where are we going to find the needed millions of dollars to keep our roads in first-class condition? The ton-mile tax seems to be the answer."

Stelljes, who is a retired Curtiss-Wright engineering executive, said that the Commission's report was precedent-breaking in that it proposed that out-of-state truckers getting "a free ride" on New Jersey's highways be required to contribute to the upkeep of roads used by those interstate carriers.

In a review of highway user revenues for the past decade, Stelljes pointed out that in 1940 license fees, gas taxes and registration fees accounted for 87 per cent of all highway expenditures. Today, he added, only 55 per cent of the money spent for roads come from highway-user revenues. The other 45 per cent, Stelljes asserted, is raised by local administrators who take from property taxes.

Referring to the recent Griffenhagen Report, a survey on highway problems in New York State, Stelljes said the report confirmed his contention "that New Jersey trucks pay comparatively little for their use of the state's highways." He pointed out that New Jersey receives less revenue from each big interstate truck than any other state in the nation.

"Yet, New Jersey has the heaviest truck traffic in the world," he said.

Dr. J. S. Haggerty, program chairman of the club, led a question-and-answer session following the address. The discussion included a review of the proposed mileage tax as well as interpretations by Stelljes of Assembly Bill 13, passed by the Legislature in May, which limits the axle loads of trucks.

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EXHIBIT P-67F

[Handwritten notation:
Passaic Herald News
Verona-Cedar Grove Times
E. Orange Record
Montclair Times
Newark News]

FROM: Robert A. Fox
New Jersey Automobile Owners, Inc.
155 Evergreen Place
East Orange, New Jersey

VERONA ROTARY CLUB HEARS FINANCE PLANS FOR JERSEY HIGHWAYS

F. Stelljes, Auto Club Official, Explains "Pay-As-You-Go" Tax on Highway Users

The immediate need for placing the financial burden of New Jersey highways on those that use and damage them the most was stressed last night (August 31) by Fred D. Stelljes, vice president of the New Jersey Automobile Owners, in an address before a luncheon meeting here of the Rotary club at PAL's Cabin.

"Today thousands of heavy out-of-state trucks use our roads and pay little or nothing toward their support," Mr. Stelljes said, and explained that under present highway finance practices it is the private motorist, the light farm-to-market truck operators and property owners that foot the bill for highway construction and maintenance.

Today's confused highway financing hits the New Jersey farmer directly, according to Mr. Stelljes, who pointed out that while not long ago local farmers supplied the bulk of the farm produce for the state and neighboring metropolitan areas, in recent years long-haul trucks carrying produce grown in distant areas have captured many of the markets.

"And they have been able to do that only because a large portion of our tax dollar has been devoted to the building of fine highways that allow outsiders to compete un-

fairly with us," Mr. Stelljes said.

A solution to the problem is outlined in the recent issue of the State Tax Policy Commission's fifth report, Mr. Stelljes said. The Commission recommends that a mileage tax be adopted on all motor carriers of 8,000 pounds or more, according to the speaker, and revenue from such a tax has been estimated at $9 million—a sum that would go a long way toward solving the present highway finance problem.

Summing up highway revenues of the last decade, Mr. Stelljes pointed out that 1940 license fees, gas taxes and registration accounted for 87 per cent of all highway expenditures. Today, he explained, only 55 per cent of money spent for roads come from highway revenues, the remainder coming from general taxes such as the property tax.

The recommendations of the Tax Policy Commission, according to Mr. Stelljes, do not set a precedent. Fourteen states already have in operation modifications of the Commission's ton-mile tax and report that it has removed many inequities from the older highway finance system adopted before trucking grew to a gigantic industry rolling up 142 billion ton-miles each year on the public roads.

"New Jersey, the most truck-traveled state in the nation, has the most to gain from the ton-mile tax and the most to lose if our highway finances remain in their present jumbled condition," Mr. Stelljes said.

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EXHIBIT P-67G

[Handwritten notation:
Morristown Daily Record
Parsippany Citizen
Denville Herald]

FROM: Robert A. Fox
New Jersey Automobile Owners, Inc.
155 Evergreen Place
East Orange, New Jersey

ROTARY CLUB HEARS ROAD COSTS BURDEN PROPERTY TAXPAYER

F. Stelljes, Auto Club Official, Explains "Pay-As-You-Go" Tax on Highway Users

BOONTON—The unfairness of present highway taxes in New Jersey and the resulting hardship on private motorists and property owners was pointed out today (August 29) by Fred D. Stelljes, vice-president of New Jersey Automobile Owners, in a luncheon talk before the Rotary Club here in the Knoll Golf Club.

"Passenger car owners pay too much and big trucks pay too little," Mr. Stelljes declared, saying that if a ton-mile unit is used to measure highway use, passenger car owners each pay about $6.29 more than their share of highway costs—an overpayment of $7,070,000 last year.

On the same ton-mile basis big trucks underpay their share of highway costs by as much as $451.29 a year, according to Mr. Stelljes. "Apply that sum to even a portion of the state's thousands of big trucks and you get some inkling of the size of New Jersey's missing highway revenues," he said. "If big trucks, especially from out-of-state, paid their fair share, there would be few highway problems," he pointed out.

There is no true relationship in the present highway tax structure between the amount of taxes paid and the amount of benefit obtained from highway use, Stelljes said, and

explained that in 1940 highway user taxes—gas taxes, registration and license fees—accounted for 87 per cent of all highway expenditures while today they provide only 55 per cent of the total.

This means that local property taxes are being diverted to make up the 45 per cent difference, the speaker said, stressing that property owners are now paying almost half of all street and road costs whether or not they own an automobile.

A major step in solving the New Jersey highway problem, Mr. Stelljes believes, would be a concentrated public effort to back the State Tax Policy Commission's recommendation that a mileage tax be adopted on all motor carriers of 8,000 pounds or more. The revenue from such a tax has been estimated at $9,000,000, half of which could go to relieve local taxes or to reduce license fees.

Stelljes said that the people scored a victory in the recent legislation to limit truck axle loads and to protect New Jersey highways and bridges. "Now," he concluded, "we must take steps to place the costs of our highways on a fair basis by levying taxes according to highway use." John Howell, program chairman of the Rotary, led a question-and-answer period after the speaker concluded. Discussion centered on Assembly Bill 13, passed in the special session of the legislature late this spring, as well as on the relief this proposal tax measure would give to property owners in this state.

—0—

EXHIBIT P-67H

[Handwritten notation:
Whitehouse Station Review
~~*Flemington Democrat*~~
High Bridge Gazette]

FROM: Robert A. Fox
New Jersey Automobile Owners, Inc.
155 Evergreen Place
East Orange, New Jersey

CLINTON ROTARY HEARS HIGHWAY FINANCE PLAN DISCUSSED AT MEETING

F. D. Stelljes, Auto Club Exec, Cites Damage by Trucks, Asks Tax Revision

The immediate need for revising present highway user tax methods was stressed today (September 15) by Fred D. Stelljes, vice president of the New Jersey Automobile Owners, Inc., in a luncheon meeting before the Clinton Rotary Club at the Clinton Inn.

He said the financial burden on property owners today has resulted in an unfair hardship and proposed that the trucking industry assume a larger share of road costs.

In what he termed the "unfairness of current New Jersey highway taxes," Mr. Stelljes told assembled Rotarians that passenger car owners pay too much and big trucks too little. He said:

"Using the accepted unit of measure of highway use, the ton-mile, we discover that we passenger car owners pay about $6.29 more than our fair share of highway costs."

"That over payment totals more than $7,000,000 a year."

He stated that big trucks underpay their proper share of road costs by as much as $451.29 a year.

"Apply that sum to even a portion of the state's thousands of trucks and to the many thousands of out-of-state

trucks and you get some inkling of New Jersey's missing highway revenue. If big out-of-state trucks, which now pay nothing for the use of our roads, paid their fair share there would be few highway problems."

He explained that under today's highway finance practices the private motorist, the light farm-to-market operators, light panel truck owners and property owners foot the bill for highway construction and maintenance.

Confused Highway Picture

There is no true relationship in the present highway tax structure between the amount of taxes paid and the amount of benefit obtained from highway use, Mr. Stelljes said.

He explained that in 1940 highway user taxes—gas taxes, registration and license fees—accounted for 87 per cent of all highway expenditures while today they provide only 55 per cent of the total.

This means that local property taxes are being diverted to make up the 45 per cent difference, the speaker said, stressing that property owners are now paying almost half of all street and road costs whether or not they own an automobile.

A solution to the problem is outlined in the recent issue of the State Tax Policy Commission's fifth report, Mr. Stelljes said. The Commission recommends that a mileage tax be adopted on all motor carriers of 8,000 pounds or more.

He said that revenue from such a tax has been estimated at $9 million—a sum that would go a long way toward solving the present highway finance problem.

Quotes Tax Commission

The recommendations of the Tax Policy Commission, according to Mr. Stelljes do not set a precedent. Fourteen states already have in operation modifications of the Commission's ton-mile tax, he said. They report that it has

removed many inequities from the older highway finance system adopted before trucking grew into a gigantic post-war industry rolling up 142 billion ton-miles each year on the public roads, Mr. Stelljes stated.

"New Jersey, the most truck-traveled state in the nation, has the most to gain from the ton-mile tax and the most to lose if our highway finances remain in their present jumbled condition," Mr. Stelljes said.

Stelljes said that the people scored a victory in the recent legislation to limit truck axle loads and to protect New Jersey highways and bridges.

"Now," he concluded, "we must take steps to place the cost of our highways on a fair basis by levying taxes according to highway use."

At the conclusion of Mr. Stelljes' address, a question-and-answer period developed. Much of the discussion centered on Assembly Bill 13, limiting axle loads of trucks, which was passed in the legislature late this spring. The speaker also spoke informally about current drives against overloading being waged in other states.

EXHIBIT P-671

[Handwritten notation:
Phillipsburger
Easton Express]

FROM: Robert A. Fox
New Jersey Automobile Owners, Inc.
155 Evergreen Place
East Orange, New Jersey
ORange 2-0416

EXCHANGE CLUBS HEARS HIGHWAY TAXES BURDEN N.J. PROPERTY OWNERS

F. D. Stelljes, Auto Club Exec, Cities Damage by Trucks Cost to Taxpayer

The immediate need for revising present highway user tax methods was stressed tonight (September 21) by Fred D. Stelljes, vice president of the New Jersey Automobile Owners, Inc., at an address before the Phillipsburg Exchange Club at the Elks Club.

He said the financial burden on property owners today has resulted in an unfair hardship and proposed that the trucking industry assume a larger share of road costs.

In what he termed the "unfairness of current New Jersey highway taxes," Mr. Stelljes told assembled Exchange Club members that passenger car owners pay too much and big trucks too little. He said:

"Using the accepted unit of measure of highway use, the ton-mile, we discover that we passenger car owners pay about $6.29 more than our fair share of highway costs."

"That over payment totals more than $7,000,000 a year."

He stated that big trucks underpay their proper share of road costs by as much as $451.29 a year.

"Apply that sum to even a portion of the state's thousands of trucks and to the many thousands of out-of-state trucks and you get some inkling of New Jersey's missing

highway revenue. If big out-of-state trucks, which now pay nothing for the use of our roads, paid their fair share there would be few highway problems."

He explained that under today's highway finance practices the private motorist, the light farm-to-market truck operators, light panel truck owners and property owners foot the bill for highway construction and maintenance.

Confused Highway Picture

There is no true relationship in the present highway tax structure between the amount of taxes paid and the amount of benefit obtained from highway use, Mr. Stelljes said.

He explained that in 1940 highway user taxes—gas taxes, registration and license fees—accounted for 87 per cent of all highway expenditures while today they provide only 55 per cent of the total.

This means that local property taxes are being diverted to make up the 45 per cent difference, the speaker said, stressing that property owners are now paying almost half of all street and road costs whether or not they own an automobile.

A solution to the problem is outlined in the recent issue of the State Tax Policy Commission's fifth report, Mr. Stelljes said. The Commission recommends that a mileage tax be adopted on all motor carriers of 8,000 pounds or more.

He said that revenue from such a tax has been estimated at $9 million—a sum that would go a long way toward solving the present highway finance problem.

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The recommendations of the Tax Policy Commission, according to Mr. Stelljes do not set a precedent. Fourteen states already have in operation modifications of the Commission's ton-mile tax, he said. They report that it has removed many inequities from the older highway finance system adopted before trucking grew into a gigantic post-

war industry folling up 142 billion ton-miles each year on the public roads, Mr. Stelljes stated.

"New Jersey, the most truck-traveled state in the nation, has the most to gain from the ton-mile tax and the most to lose if our highway finances remain in their present jumbled condition," Mr. Stelljes said.

Stelljes said that the people scored a victory in the recent legislation to limit truck axle loads and to protect New Jersey highways and bridges.

"Now," he concluded, "we must take steps to place the cost of our highways on a fair basis by levying taxes according to highway use."

William C. Curnow, Jr., program chairman of the Exchange, led a question-and-answer period after the speaker concluded. Discussion centered on Assembly Bill 13, passed in the special session of the legislature late this spring, as well as on the relief this proposal tax measure would give to property owners in this state.

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EXHIBIT P-67J

[Handwritten notation:
Red Bank Register]

FROM: Robert A. Fox
New Jersey Automobile Owners, Inc.
155 Evergreen Place
East Orange, New Jersey

LIONS CLUB HEARS FINANCE PLAN FOR JERSEY HIGHWAYS

F. Stelljes, Auto Club Official, Explains "Pay-As-you-Go" Tax on Highway Users

Advocating pay-as-you-methods of highway taxation, Fred D. Stelljes, vice president of the New Jersey Automobile Owners, Inc., today (Sept. 5) called for revision of New Jersey's highway tax structure to relieve property taxpayers and shift a fair share of road costs to those using them for commercial profit. Stelljes made the statement at a dinner before the Middletown Lions Club here at Louis' Bar and Grill.

Stelljes advanced a theory of highway taxation currently in use in 17 states. He described it as a gross-ton-mile levy and claimed it is "the most equitable form of highway taxation."

"Today thousands of heavy out-of-state vehicles use our roads and pay little or nothing for use of the highways," Stelljes said. "Adoption of such a levy will place our highways on a sound financial basis."

Referring to the recently issued Fifth Annual Report of the State Tax Policy Commission, Stelljes said the Commission recommends adoption of a mileage tax on all motor carriers over 8,000 pounds. This tax, he said, would rais an estimated $9,000,000 additional highway revenue. "If this money was used on our roads," he said, "it would go a long way toward solving our present highway problems.

Since highway officials tell us our roads are breaking up faster than we can build them, I don't have to tell you how serious our highway problems are today," Stelljes said. "But the biggest single problem is: how and where are we going to find the needed millions of dollars to keep our roads in first-class condition? A ton-mile tax seems to be the answer."

Stelljes said that the Commission's report was precedent-breaking in that it proposed that out-of-state truckers are now getting "a free ride" on New Jersey's highways be required to contribute to the upkeep of roads used by those interstate carriers.

In a review of highway-user revenues for the past decade, Stelljes pointed out that in 1940 license fees, gas taxes and registration fees accounted for 87 per cent of all highway expenditures. Today, he added, only 55 per cent of the money spent for roads come from highway-user revenues. The other 45 per cent, Stelljes asserted, is raised by local administrators who take from property taxes.

David Houser, program chairman of the club, led a question-and-answer session following the address. The discussion included a review of the proposed ton-mile tax as well as interpretations by Stelljes of Assembly Bill 13, passed by the legislature earlier this year, which limits axle loads of trucks.

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EXHIBIT P-67K

[Handwritten notation:
Newark News
Summit Herald]

FROM: Robert A. Fox
New Jersey Automobile Owners, Inc.
155 Evergreen Place
East Orange, New Jersey
ORange 2-0416

OPTIMISTS HEAR N.J. ROAD COST PROBLEMS AIRED

F. D. Stelljes, Auto Club Exec, Cites Damage by Trucks, Asks Tax Revision

The immediate need for revising present highway user tax methods was stressed tonight (September 19) by Fred D. Stelljes, vice president of the New Jersey Automobile Owners, Inc., in an address before the Optimists Club at the Suburban Hotel.

He said the financial burden on property owners today has resulted in an unfair hardship and proposed that the trucking industry assume a larger share of road costs.

In what he termed the "unfairness of current New Jersey highway taxes," Mr. Stelljes told assembled Optimists that passenger car owners pay too much and big trucks too little. He said:

"Using the accepted unit of measure of highway use, the ton-mile, we discover that we passenger car owners pay about $6.29 more than our fair share of highway costs."

"That over payment totals more than $7,000,000 a year."

He stated that big trucks underpay their proper share of road costs by as much as $451.29 a year.

"Apply that sum to even a portion of the state's thousands of trucks and to the many thousands of out-of-state trucks and you get some inkling of New Jersey's missing highway

revenue. If big out-of-state trucks, which now pay nothing for the use of our roads, paid their fair share there would be few highway problems."

He explained that under today's highway finance practices the private motorist, the light farm-to-market truck operators, light panel truck owners and property owners foot the bill for highway construction and maintenance.

Confused Highway Picture

There is no true relationship in the present highway tax structure between the amount of taxes paid and the amount of benefit obtained from highway use, Mr. Stelljes said.

He explained that in 1940 highway user taxes—gas taxes, registration and license fees—accounted for 87 per cent of all highway expenditures while today they provide only 55 per cent of the total.

This means that local property taxes are being diverted to make up the 45 per cent difference, the speaker said, stressing that property owners are now paying almost half of all street and road costs whether or not they own an automobile.

A solution to the problem is outlined in the recent issue of the State Tax Policy Commission's fifth report, Mr. Stelljes said. The Commission recommends that a mileage tax be adopted on all motor carriers of 8,000 pounds or more.

He said that revenue from such a tax has been estimated at $9 million—a sum that would go a long way toward solving the present highway finance problem.

Quotes Tax Commission

The recommendations of the Tax Policy Commission, according to Mr. Stelljes do not set a precedent. Fourteen states already have in operation modifications of the Commission's ton-mile tax, he said. They report that it has removed many inequities from the older highway finance system adopted before trucking grew into a gigantic post-

war industry rolling up 142 billion ton-miles each year on the public roads, Mr. Stelljes stated.

"New Jersey, the most truck-traveled state in the nation, has the most to gain from the ton-mile tax and the most to lose if our highway finances remain in their present jumbled condition," Mr. Stelljes said.

Stelljes said that the people scored a victory in the recent legislation to limit truck axle loads and to protect New Jersey highways and bridges.

"Now," he concluded, "we must take steps to place the cost of our highways on a fair basis by levying taxes according to highway use."

—0—

EXHIBIT P-67L

FROM: Robert A. Fox
New Jersey Automobile Owners, Inc.
155 Evergreen Place
East Orange, New Jersey
ORange 2-0416

POMONA GRANGE HEARS ROAD FINANCING PLAN TO AID N.J. FARMERS

F. D. Stelljes, Auto Club Exec, Says Farmers Overpay on Truck Registrations

The immediate need for revising present highway user tax methods was stressed Saturday night (September 9) by Fred D. Stelljes, vice-president of the New Jersey Automobile Owners, Inc., in an address before the Pomona Grange, Central District #9, in the Myersville Grange Hall.

He said the financial burden on property owners today has resulted in an unfair hardship and proposed that the trucking industry assume a larger share of road costs.

In what he termed the "unfairness of current New Jersey highway taxes," Mr. Stelljes told assembled Grangers that passenger car owners pay too much and big trucks too little. He said:

"Using the accepted unit of measure of highway use, the ton-mile, we discover that we passenger car owners pay about $6.29 more than our fair share of highway costs."

"That over payment totals more than $7,000,000 a year."

He stated that big trucks underpay their proper share of road costs by as much as $451.29 a year.

"Apply that sum to even a portion of the state's thousands

of trucks and to the many thousands of out-of-state trucks and you get some inkling of New Jersey's missing highway revenue. If big out-of-state trucks, which now pay nothing for the use of our roads, paid their fair share there would be few highway problems."

He explained that under today's highway finance practices the private motorist, the light farm-to-market truck operators, light panel truck owners and property owners foot the bill for highway construction and maintenance.

Confused Highway picture

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He explained that in 1940 highway user taxes—gas taxes, registration and license fees—accounted for 87 per cent of all highway expenditures while today they provide only 55 per cent of the total.

This means that local property taxes are being diverted to make up the 45 per cent difference, the speaker said, stressing that property owners are now paying almost half of all street and road costs whether or not they own an automobile.

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He said that revenue from such a tax has been estimated at 9 million—a sum that would go a long way toward solving the present highway finance problems.

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removed many inequities from the older highway finance system adopted before trucking grew into a gigantic post-war industry rolling up 142 billion ton-miles each year on the public roads, Mr. Stelljes stated.

"New Jersey, the most truck-traveled state in the nation, has the most to gain from the ton-mile tax and the most to lose if our highway finances remain in their present jumbled condition," Mr. Stelljes said.

Stelljes said that the people scored a victory in the recent legislation to limit truck axle loads and to protect New Jersey highways and bridges.

"Now," he concluded, "we must take steps to place the cost of our highways on a fair basis by levying taxes according to highway use."

Mrs. Virginia Walker, Lecturer of Troy Hills, introduced the speaker. She asked for questions from the floor when Mr. Stelljes had concluded. Many inquiries concerned Assembly Bill 13, limiting truck axle loads, which was passed in the legislature late last spring.

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EXHIBIT P-71

NEW JERSEY AUTOMOBILE OWNERS, INC.
Incorporated 1938
155 EVERGREEN PLACE [Emblem] EAST ORANGE, N. J.
ORange 2-0416

OFFICERS
James L. Macwithey
President
Frederick D. Stelljes
Executive Vice-President
Sigfrid Lonegren
Vice-President
William C. Moore
Vice-President
Frank W. Maxwell
Vice-President
DIRECTORS
Catesby L. Jones
Victor Mosley
John A. Ward
Jules Tepper
Counsel

October 10th, 1952

Dear Editor:

We are enclosing a reprint of a very informative article from Harper's Magazine: "Who Should Pay for Our Roads?" While the author is an Oregon legislator, he points up a problem that faces all states—how to finance the highways which are so necessary in these days of automotive transportation.

Many of the points Mr. Neuberger makes pertain to New Jersey—notably the fact that a 60,000-pound truck in New Jersey pays a tax of $810 while the same vehicle in Oregon pays $2,445 a year. How to obtain additional funds for our roads, streets and highways is certain to be an important issue in the next legislature. You may find this article helpful background information in discussing this highway problem in your community.

Sincerely,

/s/ FRED D. STELLJES
Fred D. Stelljes

EXHIBIT P-73

EMPIRE STATE TRANSPORT LEAGUE

ELEVEN NORTH PEARL STREET
ALBANY, N. Y.

ROMWELL WOODWARD, Chairman
Utica, N. Y.

L. Torbert
Syracuse, N. Y.

rman J. Gould
Seneca Falls, N. Y.

rl J. Colwell
Hudson, N. Y.

A. Cooley
Buffalo, N. Y.

R. Wycoff, Jr.
Buffalo, N. Y.

P. Crone
Buffalo, N. Y.

hn Tritten
Utica, N. Y.

harles J. Peters
Utica, N. Y.

al O. Sheldon
Schenectady, N. Y.

C. Richter
Schenectady, N. Y.

lle Ten Eyck
Schenectady, N. Y.

harles W. Coneway
Schenectady, N. Y.

W. Biggs
Rochester, N. Y.

r. Adrian Buyse
Rochester, N. Y.

October 8th, 1952

Dear Sir:

The problem of highway finance is one that not only affects the majority of our citizens but confronts virtually every state legislature.

We feel so strongly on this subject that we are sending you an advance reprint from the October issue of Harper's Magazine which spotlights the unfairness of highway-user taxes as they affect the average motorist.

Sincerely yours,

/s/ CROMWELL WOODWARD
Cromwell Woodward

EXHIBIT P-79

FROM: Fred W. Goodwin, Director
N. J. Citizens Tax Study
Foundation
786 Broad Street,
Newark 2, NJ
MArket 3-1118

FOR RELEASE after 12 noon
Wednesday October 17, 1951

"What New Jersey needs is not more taxes, but more taxpayers," the Camden Lions Club was told today (Wednesday, October 17) at the regular luncheon meeting at the Walt Whitman Hotel. The speaker, C. Colburn Hardy, secretary of the N.J. Citizens Tax Study Foundation, told club members that "the present New Jersey tax system was a mass of inequities, exemptions, and archaic administration, utterly unfitted for the basic needs of state and local governments."

Hardy said that the Foundation was attempting to arouse citizens to the importance of immediate constructive action on a two-front attack. "At a local level," he said, "there must be intelligent administration of the property tax which accounts for 92 per cent of tax revenues. He urged two steps:

(1) uniform assessment policies so that similar properties carry similar valuations no matter where they may be located.

(2) immediate review of all tax exempt property to be certain that the present tax exemptions are fully justified.

Equally important, the former Essex County assemblyman stressed was a review of the state tax system, especially the program of State Aid. Pointing out that New Jersey was traditionally a "home rule" state, believing that money spent locally should be raised locally, he said that the first broad program of State Aid to local government had started in 1947. Since then, he stressed, costs of local government have risen over $30,000,000, but direct State Aid has remained unchanged, throwing an increasingly greater burden on local property owners. He said that educational costs in Camden County had increased over $1,000,000 between 1948 and 1951, but State Aid to Education had dropped nearly $100,000 during the same period. Hardy explained that the extra State revenues had been needed to meet

rising costs of State administration, so that the Governor and the Legislature had held State Aid to Education at $25,000,000 a year.

"In much the same way," the Foundation trustee said, "the local property owner is being forced to pay a greater share of highway costs. In Camden, expenditures for streets and roads were $309,000 greater in 1950 than in 1947; despite $73,885 in State Aid.

"It is obvious," he added, "that the entire program of State Aid should be reviewed in light of these changing economic and fiscal conditions. The tremendous influx of younger children, the thousands of new suburban homes, the vast traffic, and the drain of the resources of older cities, he said, have created new and unexpected problems.

"The crux of the problem," Hardy said, "is that real property—land, buildings, machinery, etc., with an assessed value of $6 billions account for 85 per cent of all State and local taxes, while other types of wealth—stocks, bonds, cash, automobiles, trucks, etc.—with an estimated valuation of $20 billions are largely escaping taxation because of full or partial tax exemption."

Hardy stressed that the Foundation would not sponsor or endorse any specific proposals but would continue to stress the need for intelligent tax revision such as proposed by the Commission on State Tax Policy. He concluded by outlining the six suggestions made by the Commission in its recent report to the Governor and Legislature:

(1) better administration of the property tax.
(2) revised business taxes, notably a corporate income tax.
(3) a gross-ton-mile tax on heavy trucks.
(4) a personal income tax
(5) a general sales tax and
(6) broader taxing powers for local governments.

—0—

EXHIBIT P-80

From: Robert A. Fox
New Jersey Automobile
Owners, Inc.
155 Evergreen Place
East Orange, N. J.

For release Thursday, March 9, 1950

HIGHWAY STUDY SHOWS TRUCKS PAY TOO LITTLE

New York Survey Shows Parallel With Jersey Tax Problem Auto Official Says

A six-month study of highway taxation and finance in New York state, just completed by nationally famous research consultants, reveals a close parallel between that state's and New Jersey's out-of-date and unrealistic highway financing problems, according to Fred Stelljes, vice president of the New Jersey Automobile Owners, Inc.

The report, compiled by Griffenhagen and Associates for a taxpayers' group at Albany, recommended a sharp increase in heavy truck taxes and a decrease in the license fees of passenger cars. The recommendation was keyed to the fact that trucks roll up more ton-miles in the state than do New York's 3,000,000 passenger cars. On a ton-mile basis, however, the passenger car pays four times as much as the heavy truck, the survey showed.

New York's collections from gas taxes and license fees paid by the owner of a truck of the heaviest type were shown to be $940, compared to a national average of $1,687. The Empire state was listed as the third most lenient in the nation.

In the same table, New Jersey was shown as collecting $785 from the same size truck, making it the most lenient of all states. Topping the nation in tax receipts from the heavy commercial haulers was Michigan, where the heaviest truck's annual gas taxes and license fees averaged $3,178.

The survey recommended lowering license fees for a 3100-pound passenger car in New York from $15.50 to $6.41, and for light pick-up trucks from $24 to $14.70, without changing the state's four-cent gas tax. In heavier commercial brackets, however, it advocated an $8 increase in taxes for the heaviest type truck. This recommendation

ompares with a $46 heavy truck license increase proposed in a new

icensing bill now before the New Jersey legislature.

The financial operations of all 1620 political units in New York dministering highways, roads and streets are grouped together for he first time in the Griffenhagen study. Most studies confine themelves to a state highway system alone, but by examining the state, ity, county and town systems as an entity, the report was able to easure what the thoroughfares cost all taxpayers living within a state. It showed that the heaviest cost, 51 per cent, was borne by cities, ith the state government paying 23 per cent, towns and counties 13 r cent each of all costs of the highway plant for the 22-year period nding 1947—the last year for which figures were available.

The New York study shows that trucks roll up 53 billion ton-miles f travel in that state, against 45 billion passenger-car ton-miles. New ersey registration figures show that this state has a higher ratio of ucks to passenger cars than New York. In New Jersey the one out f five vehicles registered is a truck, while New York's ratio is one six. In the heavy-truck bracket, New York ranks third in the nation supporting heavy truck loads, but New Jersey leads the nation. In ct, its highways carry almost twice as many trucks of ten tons or ore than New York, according to the U. S. Bureau of Public Roads.

A comparison of the 400-page Griffenhagen report with New Jersey gistration figures shows, Mr. Stelljes said, that the Garden state is ven more unfair than New York in its present taxing methods of rdening the passenger-car owner with highway costs."

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EXHIBIT P-81

From: New Jersey Automobile Owners, Inc.
1060 Broad Street
Newark, New Jersey

For Release 12 Noon
Wednesday, Dec. 14

TAX COMMISSION HEARS PLEA FOR NEW TRUCK LEVY

Auto Owners Call For Increase In Highway-User Fees Based On 'Ton-Miles' Traveled

TRENTON, Dec. 14—New Jersey taxpayers would be relieved of the burden of a general tax increase under a $20,000,000 tax program proposed today to the State Tax Policy Commission by Jules Tepper, counsel of the New Jersey Automobile Owners, Inc. He told the commission, which is seeking new sources of state revenue, that a gross ton-mile tax levied against heavy commercial trucks would yield at least $20,000,000 annually.

Declaring that "the passenger-car owner is paying too much and the big truck operator too little," Tepper pointed out that the ton-mile is now used as the basis for taxation in 14 states. He said the tax he proposed should be applied only to heavy trucks—those weighing over 7½ tons when loaded. He cited studies to show that in 194[illegible] every passenger-car owner paid "$8.13 more than his fair share" of highway costs, while big interstate trucks weighing 12 tons and more paid as much as $597.42 less than their ton-mile share annually.

"If plans now in force in other states were applied to the huge highway boxcars crossing New Jersey," Tepper said, "the total possible net revenue could be, at a conservative estimate, $20,000,000. The exact figure would, of course, depend on the tax and basis of assessment. The additional revenue would relieve the tax-burdened property owner and make it possible to use more local taxes for education, recreation

rotection, and services—the purposes for which they were originally tended."

Pointing out that property owners are now paying 42 per cent of all ghway costs compared to 13 per cent in 1939, Tepper said, the ton-ile tax can do much to ease the local and street and highway tax rden by shifting this load to its proper base, the commercial users ho use our highways for profit. "These are the same vehicles," he lded, "which . . . so largely responsible for intolerable conditions of ngestion, delay and highway damage."

Tepper, former president of the Essex County Tax Board, stressed . fact that the growth of these heavy trucks is largely a postwar henomenon. Between 1940 and 1948, he said, there was an increase f only 17 per cent in automobile registration, but heavy trucks reg-tered in New Jersey jumped 34 per cent. "Besides, there are hun-eds of thousands of highway behemoths from out of state roaring er our highways practically free of charge. Highway engineers ross the country "are virtually unanimous in finding that the in-ease in trucking is raising havoc with roads."

"New Jersey obtains less revenue from a heavy truck than any other ate except Massachusetts," Tepper continued. "A 10-ton trailer truck, aveling 45,000 miles a year, pays registration and gas taxes of 1.50. Forty-six other states have higher highway user fees. In egon, under a ton-mile tax, the same operator would pay $1,467; West Virginia, $1,913.16." In concluding, Tepper urged the com-ssion to study the ton-mile tax as a "fair levy that seeks only to ocate the costs of our streets and highways against the users. It is gical solution to a vexing revenue problem, a solution that has been nd successful in 14 other states."

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EXHIBIT P-83

FROM: Robert A. Fox, Secretary
New Jersey Automobile
Owners, Inc.
155 Evergreen Place,
ORange 2-0416
East Orange, New Jersey

For release in papers of
January 3, 1951

Governor Driscoll and the Legislature were given notice today that New Jersey motorists would vigorously oppose any increase in gasoline taxes until the present subsidy to long-haul truckers is eliminated by the enactment of a gross-ton-mile tax. This warning was made by James L. Macwithey, president of the New Jersey Automobile Owners Inc.

Macwithey, who is chairman of the Roads Committee of the East Orange City Council, said his organization was alarmed at report that the State officials are considering an increase in the motor fuel tax.

"As representatives of the motoring public," Macwithey wrote the Governor, "we are opposed to a straight increase in gasoline taxes. The private motorist now pays more than his fair share of road costs while heavy trucks are too lightly taxed. An increase in gasoline taxes would compound a long-standing felony perpetrated on the private car and light truck owners."

Macwithey urged the Governor "to sponsor the proposal of the Commission on State Tax Policy to levy a gross-ton-mile tax on big over-the-road trucks, including out-of-state vehicles which pound our highways day and night."

Macwithey cited the Tax Policy Report to show that "private motorists and owners of small trucks now subsidize the long-haul truckers by as much as $7,841,000 annually."

"Before consideration is given to raising the gas tax," he wrote, "the State should eliminate this subsidy and create a highway-user tax program which will benefit the millions of New Jersey motorists rather than satisfy the pressure of the truck lobby."

Macwithey estimated the revenue from the ton-mile tax at from $9 to $20 million, depending on the rate established which will fall

entirely on commercial carriers "who use our streets and roads for profit at the expense of other highway users as well as the general taxpayer." "On the other hand," he said, "a one-cent increase in the motor fuel tax will yield some $12,000,000, increasing the average motorist's taxes."

Macwithey said that "more money must be spent on our highways to relieve the present congestion" and "the first step must be a revision of highway user fees so that payments can be based on use and cost rather than on antiquated financial practices dating back to the years before over-the-road use of highways became a major national problem."

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EXHIBIT P-84

From: New Jersey Automobile Owners, Inc. For Immediate Release
1060 Broad Street
Newark, New Jersey

ASK TAXES ON BIG TRUCKS AS AID TO JERSEY EDUCATION

Proposals for new taxes to meet increased costs of government and provide larger State aid to education were urged at a hearing in Trenton before the Commission on State Tax Policy. The proposals included suggestions for a general sales tax, personal income levy, larger corporate taxes, and a proposal to initiate a "ton-mile" tax on commercial highway users.

Jules Tepper, general counsel for the New Jersey Automobile Owners, Inc., called for a gross-ton-mile tax against heavy trucks operating on intrastate and interstate runs. A conservative estimate of the revenue that would accrue to the state from such a levy, Tepper said, would be $20,000,000. This money, he said, could be used to enlarge the present school system in New Jersey which needs about $40,000,000 in the next few years to meet rising costs and enrollments.

In a statement delivered before the full Commission gathered in the State House, Tepper said passenger-car owners, whose interest he represented, paid "$8.13 more than their fair share" of highway costs while big interstate highway box car trucks weighing more than 12 tons paid as much as $597.42 less than their ton-mile share annually.

Tepper's suggestion came as a surprise to many members of the Commission, but they indicated interest in the possibility of tapping a virtually untouched source of state revenue to help solve a growing school-costs problem.

The hearing, headed by Dr. John F. Sly of Princeton, heard a wide range of opinions as to methods that should be employed to broaden the present tax base and establish "a more equitable distribution of tax

responsibility and payment." Governor Driscoll has been asked by department heads and various state spending agencies for $230,000,000 for the year beginning July 1, 1950. That is $70,000,000 more than was appropriated for the present fiscal year.

William S. Weeks, president of the New Jersey Taxpayers Association, opposed any form of tax increase "until positive steps have been taken to achieve every possible economy." On the other hand Harry Kranz, legislative director of the state CIO, recommended a levy on corporation net profits in excess of $10,000. Kranz said that this type of tax program should be geared to produce up to $70,000,000 annually.

A plea for "a more equitable approach" to the problem of railroad taxes was made by David Mackie, representing the Associated Railroad of New Jersey. Mackie said the 1948 revision of railroad taxes "has been working a hardship on the railroads" and cited as the most outstanding inequity the provision for taxing rail companies' rolling stock while allowing competitive heavy trucks to remain free of this tax burden.

The Chamber of Commerce representatives were virtually unanimous in calling for a complete review of the tax structure with an aim to clarifying the tax picture, and in wanting to have progressive studies made before any new taxes are imposed. Kenneth Parry, of New Brunswick, speaking for the New Jersey Chamber of Commerce, said business is willing to carry its full share of the taxes necessary to provide an efficient and adequate state government, but cautioned against "piling new taxes on unsound, old ones, which compounds hardships and works capricious treatment of taxpayers."

Mrs. Charles Keller, of the League of Women Voters, also called for a more equitable distribution of the tax burden. She requested that the Commission recommend ways to provide funds for more state aid to education, increased and better care and treatment of the mentally ill and equalization of assessments.

Among those represented at the hearing were the Chambers of Commerce of New Jersey, Newark and Jersey City, educational groups such as State Federation of District Boards of Education, New Jersey PTA Congress, Educational Planning Commission, the state CIO Council, League of Women Voters and the N.J. American Veterans Committee.

EXHIBIT P-85

STATEMENT BEFORE THE COMMISSION ON STATE TAX POLICY AT PUBLIC HEARING AT TRENTON, ON WEDNESDAY, DECEMBER 14, 1949, BY JULES TEPPER, COUNSEL FOR THE NEW JERSEY AUTOMOBILE OWNERS, INC.

GENTLEMEN—My name is Jules Tepper. I appear here today as counsel for the New Jersey Automobile Owners, Inc., a New Jersey corporation organized in 1938 to protect the automobile owner from the increasing perils of trucks, traffic and taxation.

Today I should like to present for your consideration a tax program that can yield up to $20,000,000 additional revenue. The New Jersey Automobile Owners, Inc., proposes a gross ton-mile tax to be levied against the heavy commercial trucks.

This is a fair tax, for it is based on actual use. This is a logical tax, for it places the burden where it rightfully belongs. This is an equitable tax, for it corrects inequities which have been growing more serious. This is a justified tax for it is a payment for services rendered by the government of our state.

As I will explain later, it is important to remember that New Jersey obtains less revenue from each heavy truck than any other state except Massachusetts. In annual revenue from each truck which uses our highways, the State of New Jersey ranks next to the bottom: 47th out of the 48 states.

The tax problems which face our state are well known. I should like to emphasize the highway problems we face. According to State Highway Department officials, New Jersey has a backlog of $800,000,000 worth of road work which must be done to bring road repairs up to date. This does not include future work needed to meet the demands of increasing traffic and congestion. And this is only part of the story, for our cities and towns are faced with intolerable conditions of con-

gestion, delay and streets broken to bits by the heavy trucks, many of them from other states. These municipalities seek, and we believe deserve, additional state aid for their streets and roads. Finally, we have the county roads, a once adequate and well-kept system built to help our farmers bring their produce to market. These are light-traffic roads, designed for the small farm trucks. Yet they, too, are being battered and gouged by the huge, overloaded, freight tractor-trailers. As motorists who pay the great majority of highway-user taxes, we are alarmed—yes, even frightened—at what lies ahead on our New Jersey highways.

This situation is not confined to New Jersey. Other states, faced with the same destruction, have attempted to revise their tax structure so that every motor vehicle pays its fair share of highway costs.

Some years ago, when I was president of the Essex County Tax Board, I pointed out that the property owner was taxed unfairly for streets and roads. The condition still exists. In fact, it is growing worse very rapidly. Ten years ago, highway-user revenues took care of 87 per cent of total highway costs. This year—1949—highway-user revenues account for only 58 per cent of total highway expenditures. In other words, Mr. Property Owner, already the largest taxpayer in the state, is now paying 42 per cent of highway costs compared to 13 per cent ten years ago. That's more than three times as large a percentage—and the actual dollar costs are, of course, much higher.

The New Jersey Automobile Owners believe that gross ton-mile tax can do much to save our communities and ease the local and state tax problem. By shifting a proper share of the tax burden to those who use the highways commercially, our governments can have sufficient funds for the essential needs of our schools and municipalities.

As I have said hundreds of times before, it is time we got down to fundamentals on our tax policy and recognized that the commercial

vehicles use our highways and roadways for profit. These huge vehicles are like a circus. They roll through our towns, using our facilities, clogging our streets, paying almost nothing for the privilege and leaving behind them rubble and odors.

Now I want it clearly understood that the New Jersey Automobile Owners are concerned only with the heavy trucks. We know from personal experience that the small intra-city trucks, the delivery trucks, and the farmers' vehicles are just as concerned about these highway monsters as are we. When we use the term, "heavy trucks," we refer to the larger vehicles which weigh 7½ tons or over when loaded.

I wonder if you realize that the growth of these heavy trucks is largely a postwar phenomenon. Between 1940 and 1948, there was an increase of only 17 per cent in automobile registration in New Jersey, but registration of heavy trucks jumped 34 per cent. This, of course, does not include the thousands of huge highway boxcars that come from out-of-state—the number of these undoubtedly has increased even more, proportionately, since the big-truck population has grown in all states, and these trucks do more long, interstate hauling.

These are the trucks which break up our highways, and cause excessive maintenance expense. As the Newark News said in an excellent series of articles: "Highway engineers across the country are virtually unanimous in finding that the increase in trucking is raising havoc with roads." I want to stress these damage and cost factors, because they are creating future tax problems for our state.

We believe that the historic state policy of highway-user taxes should be continued. But we believe that these taxes should be based on highway use. We believe that the gross ton-mile tax is the most equitable method of assessing highway expenses.

A ton-mile tax is based on the fact that highway wear is related to weight and usage. It represents the yardstick of moving one ton one

mile. Thus the operator, be the vehicle a pleasure car of a trailer-truck, pays in direct proportion to the number of ton-miles driven. That is, an ordinary passenger car weighing 1½ tons and making a 100-mile trip, uses the highways to the extent of 150 gross ton-miles; a 10-ton tractor-trailer with 20-ton pay load would have a gross ton-miles index of 3,000 in making a trip of the same length.

On this basis of determining the relative amount of transportation service rendered by the roads to user groups and the sharing of costs, the Jersey passenger car owner is paying too much and the big truck operator too little.

For example, the 1947 state highway expenditures were approximately $56,000,000. This includes state aid to counties and municipalities. In that year there were 1,108,522 passenger cars.

The Newark Evening News pointed this out very clearly as follows: "Applying the ton-mile yardstick to the 1947 state highway expenditures of $56,000,000, which includes aid to counties and municipalities, passenger car owners each paid $8.13 more than their share of highway costs. This 'overpayment' totaled $7,077,000." (End of quotation). And remember, gentlemen, that this overpayment was by you and me and the million other motorists who try to use the highways for pleasure and not commercial gain. In 1947 we paid over $7,000,000 for the benefit of commercial operators—the same people, in large measure, whose huge highway boxcars slow our traveling, scare our families and cause thousands of hours of frustration, millions of headaches and billions of bad tempers every year. Nor can we forget the 15,746 accidents in New Jersey involving trucks—accidents that killed 545 people last year.

Another class which is discriminated against is the small trucker—fellows with vehicles weighing under four tons. They overpay anywhere from $5.26 to $16.96 each when highway use is figured on a ton-mile basis.

Let's see what the News has to say about the other end of the scale:—

the big interstate trucks weighing 12 tons and more. It says they underpay as much as $597.42 each . . . every year.

There is ample proof that a ton-mile tax is backed by the weight of authority and experience. Fourteen states now use a ton-mile as the basis for taxation. In its report to the Congress of the United States, the Board of Investigation and Research on Public Aids to Domestic Transportation said: "gross ton-mileage appears to be the best common measure of the relative amount of transportation service rendered by roads."

In Illinois, Griffenhagen & Associates, an engineering firm which studied Illinois highways concluded: "Ton-miles is the fairest measure of relative use." In Maryland, the State Roads Commission recommended to the Governor that "The ton-mile basis . . . contains most of the important factors necessary in the development of equitable truck fees." And right here in New Jersey, in their study "Financing New Jersey Highways," Theodore N. Benson and Robert H. McClain, Jr., used the gross ton-mile method to allocate cost allocations. They concluded that "It seems logical and fair to devise some type of tax which will make these out-of-state users pay some of the highway costs, especially these larger trucks and trailers which cause the majority of the damage to the roads and for which the improvements are paid."

How much additional revenue could New Jersey derive from a gross ton-mile tax? It is difficult to estimate exactly. There are no accurate figures on the number and size of out-of-state trucks which rumble over our highways. Highway Commissioner Miller has estimated that 30 per cent to 35 per cent of New Jersey's traffic on some highways is made up of trucks. According to highway studies, 26.3 per cent of all trucks bear out-of-state licenses. And I think you will agree with me that the vast majority of these out-of-state trucks are the big highway box-

cars, tractor-trailer vehicles weighing up to 30 tons legally and many

tons more illegally.

In estimating how much revenue could be derived if these heavy trucks paid their fair share of highway costs, we have been ultra conservative. We have not included any out-of-state trucks in our calculations. Thus it is highly probable that revenues under a gross ton-mile tax in New Jersey would be greater—20 to 25 per cent greater.

We are also conservative on the estimated annual mileage traveled by commercial trucks. While the American Trucking Association reports that a 20-ton truck travels 49,000 miles a year, we have set the figure at 39,000 miles. This same underestimate continues throughout our report. We have attempted to approach this problem realistically, so that no false hopes or unfair criticism may be aroused.

In New Jersey there are registered 15,000 trucks rated at five to ten tons. These have a chassis weight of six tons and a maximum gross weight of 13½ tons. According to the State Highway Department, there are 21,000 trucks and tractor-trailer combinations rated at 19 tons. These 10-ton-rated trucks weigh nine tons, have a gross weight of 20 tons. Using fiures substantially below the findings of the American Trucking Association, we have assumed that the five-ton-rated truck travels 34,000 miles a year and the 10-ton-rated truck 39,000 miles annually.

We have carried our conservative estimates one step further by setting 20 tons as the maximum gross weight, even though the state law permits gross weights of 30 tons. I believe you will agree that a majority of interstate trucks are big haulers, weighing close to—if not above—the legal limit.

In levying the gross ton-mile tax, the 12 states use various bases, which are explained in detail in the accompanying addenda. The rates vary from ⅛ mill per gross ton mile in West Virginia to 29 mills per

mile in Oregon. The taxing base is usually based on a combination of the weight and rated capacity. Some states limit the tax to common carriers, others include all commercial vehicles. These states have recognized also that the tax should fall on the larger commercial vehicles and should not be levied against the farm vehicles and intra-city delivery trucks. We agree with that approach to the problem. As automobile owners seeking a plan that will have each motor vehicle pay a fair share of its cost of our highways, we believe that each large truck should pay on the basis of its weight and mileage, regardless of the type of haulage it is engaged in. After all, the highway damage and use is the result of the vehicle, not of the use to which it is put.

The revenues to be derived from this gross ton-mile tax are extra revenues. They do not include the license and registration fees or gasoline taxes.

If the Kansas tax were adopted, New Jersey could realize a minimum additional revenue of $15,955,500 from trucks registered in New Jersey. The New Mexico plan would mean $17,385,000. The West Virginia gross ton-mile tax would swell the state coffers by $10,237,000. If the Oregon gross ton-mile tax were used, New Jersey could realize $26,533,500. When we add to these totals the revenues which should be derived from out-of-state truckers, the estimate of $20,000,000 in total possible new revenue is seen to be conservative indeed. This would be over and above the present income from registration and gas tax.

For your further information, the enclosed supplement outlines these taxes in more detail and also includes the possible revenues under the plans of the other eight states which now use a gross ton-mile tax.

I might add that New Jersey has too long been lenient in her taxing policies of highway users. As has been pointed out, you and I and millions of other automobile owners have been overpaying, while the commercial users of the highways have been underpaying. In fact, the total

highway user revenue which New Jersey derives from heavy trucks is next to the lowest of any of the 48 states.

Again I should like to quote the Newark News. On December 2, Albert Skea wrote that "the total highway-user charge in New Jersey for operating a 10-ton tractor-trailer with a maximum gross weight of 40,000 pounds paid a total of $541.50: $204 registration fee, $337.50 gas tax on 45,000 miles at four miles per gallon. Forty-six other states have higher user fees. For example, in Oregon, thanks to the addition of a mileage fee, the same operator would have to shell out $1,467, and in West Virginia, the 'bite' would total $1,913.16."

Gentlemen, I want to repeat my plea for the most tax-burdened citizens in New Jersey: property owners. As a representative of New Jersey Automobile Owners, I have pointed out that our members are now paying far more than their fair share of highway costs. Highway users do contribute substantially to state revenues, but they contribute only 38 per cent of the total moneys spent for our roads and highways. The alarming fact, I repeat, is that 10 years ago highway-user revenues paid for 87 per cent of highway costs. Each year property owners are paying more and more for highways.

We all know that there is a grave need for additional revenue in our state. We know that there should be more schools and better educational equipment. We know that our welfare needs are growing, that our housing problem is far from solved, and that there should be new state parks and playgrounds. Our cities and towns, many beset with freightening tax rates, are asking for greater state aid to ease the local tax burden. Our counties need help for their roads and services.

We believe that many of these needs can be properly met by adopting the gross ton-mile tax. This would help to relieve many citizens from paying twice for highways: first as highway users, second as property owners.

We urge that these new revenues from highway users be applied to highway costs, thus making more local taxes available for the purposes for which they were originally intended: education, recreation, protection and services.

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Gentlemen, we urge that your Commission study the gross ton-mile tax. It is a fair levy that seeks only to allocate the costs of our streets and highways against the users. It is an intelligent approach to a problem that faces all states and especially New Jersey. It is a solution to a vexing revenue problem that has been found successful in 14 other states.

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EXHIBIT P-86

SUPPLEMENTARY DATA TO STATEMENT MADE BY JULES TEPPER, COUNSEL FOR THE NEW JERSEY AUTOMOBILE OWNERS, INC.—TRENTON, DECEMBER 14, 1949

Fourteen states already have revised their highway-user tax systems to include ton-mileage as a basis for taxation.

The following table shows the minimum additional income New Jersey could obtain by adopting any one of the tax systems in force in nine of these states. The table shows only the added highway-user fees which would be paid by all the five-ton rated trucks and 10-ton rated tractor-semitrailers registered in New Jersey. Included in the former category are all trucks with a gross weight of from 27,000 pounds to 40,000 pounds and, in the latter group, all trucks with a gross weight of 40,000 pounds or more.

Therefore, total additional revenues indicated are a minimum for three reasons:

1. Out-of-state trucks, comprising an estimated 25 per cent of New Jersey truck traffic, are almost completely excluded from the calculations. Taxing them would add materially to the amounts shown.
2. The per-truck fees shown for the five-ton and 10-ton rated vehicles have been applied to heavier trucks, although the heavier trucks would pay higher fees.
3. All trucks weighing less than 27,000 pounds gross have been excluded from the calculations, although the great majority of them would also pay additional user fees.

462b

Necessary data on the five-ton and 10-ton rated vehicles follow:

Trucks	Rated Capacity	Unladen Weight	Load Weight	Gross Weight	Axles	Approx. Mileage	Miles Gallon	Number Registered
5-ton truck	5 tons	6 tons	7½ tons	13½ tons	2	34,000*	6	15,000**
10-ton tractor semi-trailer	3 tons-tr. 7 tons-semi.	9,500 lbs. 8,500 lbs.	11 tons	20 tons	3	39,000*	4	21,000**

* Mileage estimate is based on an average of similar estimates made by the Griffenhagen study in Illinois, "Digest of State Laws Pertaining to the Regulation and Taxation of Motor Vehicles," by J. C. Greenway and J. H. Hays, and figures released by the American Trucking Association. Mileage is assumed to be traveled entirely within each state.

** Truck registration figures are based on a loadometer survey made in 1948 by the New Jersey State Highway Department.

Figures shown include all trucks with a gross weight of 27,000-40,000 pounds and 40,000 pounds and over, respectively.

State	Name of Tax	Rate	5-ton Truck Pays	10-ton Combination Pays	15,000 5-Ton Trucks Would Pay N. J.	21,000 10-Ton Combs. Would Pay N. J.	Minimum Revenue N. J. Could Derive
Ala.	Mileage Tax	Variable See Note (a)	$170	$ 292.50	$2,550,000	$ 6,142,500	$ 8,692,500
Colo.	Highway Compensation tax	2 Mills Per Revenue Ton-Mile See Note (b)	$306	$ 514.80	$4,590,000	$10,810,800	$15,410,800
Kansas	Gross Ton-Mile Tax	½ Mill Per Gross Ton-Mile See Note (c)	$272	$ 565.50	$4,080,000	$11,875,500	$15,955,500
Mich.	Gross Ton-Mile Tax	Variable See Note (d)	$ 68	$ 78 00	$1,020,000	$ 1,638,000	$ 2,658,000
N. M.	Mileage Tax	Variable See Note (e)	$340	$ 585.00	$5,100,000	$12,285,000	$17,385,000
Oregon	Gross Ton-Mile Tax	Variable See Note (f)	$765 (595)(g)	$1,131.00 (838.50)(g)	$8,925,000	$17,608,500	$26,533,500(g)
S. C.	Special Motor Carrier Tax	1 Mill Per Load Ton-Mile See Note (h)	$200(i)	$ 257.40(i)	$3,000,000	$ 5,405,400	$ 8,405,400
W. Va.	Ton-Mileage Tax	1/8th Cent Per Ton-Mile See Note (j)	$212.50	$ 487.50	$3,187,500	$10,237,500	$13,425,000
Wyo.	Ton-Mile Tax	Variable See Note (k)	$204	$ 392.45(m)	$3,060,000	$ 8,241,450	$11,301,450

New Jersey currently imposes only two highway-user taxes on all vehicles: fuel tax and registration fees.

A 5-ton rated truck pays $122 for registration, $160.10 in fuel taxes (34,000 miles, 6 miles per gallon) for a total payment of $282.10.

A 10-ton rated tractor-semitrailer pays $204 and $292.50 respectively (39,000 miles, 4 miles per gallon) for a total of $496.50.

453b

NOTES

(a) Alabama's mileage tax specifies a rate of 1/4 cent per mile per axle for intrastate carriers, one-third cent for interstate carriers. Figures shown are for intrastate carriers only.

(b) Colorado's tax is called a Revenue Ton-Mile tax. Revenue ton-mile age is determined by multiplying the load capacity, in tons, by the mileage, and multiplying the result by 60 per cent (.60), since each truck is assumed to be fully loaded only 60 per cent of its mileage.

(c) Kansas determines the gross tonnage by adding the unladen weight of the vehicle to twice the manufacturer's rated capacity. This figure is multiplied by the mileage to give the gross ton-mileage.

(d) Michigan's rate is two mills per mile for all trucks weighing 15,000 pounds or more. Weight is determined by adding unladen weight to twice manufacturer's rated capacity. Other rates are: 11,000 lbs. or less, one mill per mile; 11,000-15,000 lbs., 1-1/2 mills per mile.

(e) New Mexico's mileage tax is determined from the manufacturer's rated capacity. Rates are: 1-1/2 tons or less, 1/8th cent per mile; 1-1/2–2-1/2 tons, 1/4 cent per mile; 2-1/2–4 tons, 1/2 cent per mile; 4–5 tons, 1 cent per mile, and over 5 tons, 1-1/2 cents per mile.

(f) Oregon's rates vary depending on the declared maximum gross weight. Rates range from 7.5 mills per mile for trucks weighing 4–5 tons to 36.5 mills per mile for trucks with gross weight of 50,000 lbs. or more. Trucks with gross weight of less than 8,000 lbs. are exempted. The fuel taxes paid by each truck are deducted from the total ton-mile tax for each truck.

(g) Upper figures show total ton-mile tax; figures in parentheses show the ton-mile tax which would be paid after the fuel-tax payments have been deducted. Each truck, then, would actually pay the amount in parentheses in addition to the fuel taxes it must pay. Final amount is summation of figures in parentheses the additional revenue New Jersey could obtain.

(h) South Carolina determines load ton-mileage by multiplying actual load capacity by mileage and multiplying product by 60 per cent, since trucks are assumed to be fully loaded only 60 per cent of the mileage.

(i) South Carolina sets a $200 minimum on the ton-mileage tax which must be paid by five-ton rated trucks, and a $250 minimum for 10-ton rated combinations. The former's tax actually works out to $153; the combination's tax totals $257.40.

(j) West Virginia uses the manufacturer's rated capacity as the figure for weight in determining total ton-mileage.

(k) Wyoming's rate is one mill per ton-mile for trucks and tractors and 1-1/4 mills per ton-mile for semitrailers. Unladen weight is used.

(l) This figure is a total of: $185.25 for the tractor, $207.20 for semitrailer.

SUPPLEMENTARY DATA TO STATEMENT MADE BY JULES TEPPER, COUNSEL FOR THE NEW JERSEY AUTOMOBILE OWNERS, INC.—TRENTON, DECEMBER 14, 1949

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Therefore, total additional revenues indicated are a minimum for three reasons:

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(l) This figure is a total of: $185.25 for the tractor, $207.20 for semitrailer.

EXHIBIT P-87

For release in papers of
Thursday, January 12, 1950

From: Robert A. Fox
New Jersey Automobile
Owners, Inc.
155 Evergreen Place
East Orange, New Jersey

BIG-TRUCK TAX EXPLAINED BY AUTO CLUB EXEC

Ton-Mile Plan Would Net New Jersey Nearly $20 Million

Detailed information on his proposed $20,000,000 tax on heavy trucks was released today by Jules Tepper, counsel for the New Jersey Automobile Owners, Inc.

In a proposal to the State Tax Policy commission in Trenton last month, Tepper urged adoption of a "gross-ton-mile tax" to be levied against the heavy commercial vehicles. He said such a tax would yield nearly $20,000,000 additional revenue.

"The gross-ton-mile tax," Tepper said today, "should be levied against both New Jersey and out-of-state trucks, but would exempt all vehicles of gross weight of eight tons or less, such as local delivery and farm vehicles."

"Adoption of our plan would net the state approximately $19,500,000, in addition to the present user fees paid by trucks," he pointed out. "Nearly three-fourths of this amount would come from trucks weighing 15 tons or more," he added.

Tax rates suggested by Tepper are the same as those now used in Oregon. They range from 15 mills per mile for trucks weighing 8-9 tons to 36.5 mills per mile for vehicles weighing more than 25 tons.

The ton-mile tax figures are determined by multiplying each truck's estimated annual mileage within the state by its tax rate. Vehicles weighing more than 50,000 pounds (25 tons) for example, have a tax

rate of 36.5 mills per mile and travel an estimated 13,000 miles in New Jersey each year, according to Tepper's chart. The mileage tax for this type of vehicle, therefore, would be $474.50. The 12,500 trucks in this weight bracket alone would net the state $5,931,250 annually.

"Even with this added tax," Tepper stated, "heavy trucks would not be paying their fair share of highway costs. But at least this is a step in the right direction." Tepper referred to a recent article in the Newark News which stated that "big trucks fail to pay their share of highway costs by as much as $597.42 each, every year."

Tepper said his findings were based on figures reported publicly by the New Jersey Motor Vehicle Bureau; the State Highway Department and the American Trucking Association.

"We realize that pin-point accuracy in our calculations cannot be made with what information is available. However, we made the most reasonable estimates possible under the circumstances. In every case, minimum figures were used. There is certainly no exaggeration in these reports," Tepper asserted.

The Association counsel pointed out that thousands of heavy, out-of-state trucks use New Jersey highways annually. "These vehicles," he stated, "pay only a gas tax for this privilege if they buy their gasoline in New Jersey, which is not always the case. A gross ton-mile tax imposed on these trucks would partly compensate for the highway damages they cause."

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NEW JERSEY CITIZENS TAX STUDY FOUNDATION
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FRED W. GOODWIN
Executive Director

QUESTIONNAIRE FOR ORGANIZATIONS:

In its Fifth Report to the Governor and State Legislature, the Commission on State Tax Policy asserts that New Jersey's lack of a long-range tax policy has led to a "mass of inequities that are almost unbelievable as the basis for the support of public services in a modern State."

The New Jersey Citizens Tax Study Foundation was formed to encourage better public understanding of New Jersey's tax problems. Its belief: that if enough people have enough information about the shortcomings of New Jersey's tax structure, it will be easier for the Governor and the Legislature to frame a constructive, long-range tax policy that will fit the needs of a growing state and serve the best interests of the people of New Jersey.

The major function of the Foundation is to provide facts on tax questions of public interest. In order that we may know the field where our research can be most helpful, we are asking the leading state-wide organizations to help us by answering this questionnaire.

If you do not wish to answer all questions, please answer as many as you wish. The statements preceding each question are based largely upon the Fifth Report of the Tax Policy Commission. If you wish additional background material, we will be glad to supply it.

EXHIBIT P-89

QUESTIONNAIRE FROM THE NEW JERSEY CITIZENS TAX STUDY FOUNDATION

786 Broad Street, Newark 2, N. J.

1. DEMANDS FOR INCREASED SERVICES

Changing social and economic conditions have brought demands for increased state and local government services. Action to approve them is held up largely because of the problem of financing. It is generally recognized that the State cannot undertake new and additional services unless more tax money is raised to pay for them.

Following is a list of some of the major current proposals. Do you favor one or more? In what order of preference?

Project	Estimated Cost	Yes	No	Order of Preference
Requiring annual expenditures:				
Increased State School Aid	$47,000,000	.....	.....	.....
Bigger State Highway Program	43,000,000	.....	.....	.....
Increased State Aid for Local Streets and Roads	10,000,000	.....	.....	.....
More Control of Beach Erosion	5,000,000	.....	.....	.....
State Care of Drug Addicts	1,000,000	.....	.....	.....
Other				
.....		.....	.....	
Requiring Capital Expenditures:				
State Medical College	$10,000,000	.....	.....	.....
State Veterans Bonus	100,000,000	.....	.....	.....
Other		.....	.....	.....

COMMENTS:

2. STATE TAX REVISION

New Jersey's state government is financed mainly by special taxes from a few groups—selected sales, special businesses, and corporations. New Newsey does not at present use broad taxes such as those that now form the main tax bases of most other states. Thirty-three states now

have corporate net income taxes; thirty-one have personal net income taxes; twenty-eight states have consumers sales taxes. Eighteen states have combinations of these.

2a. If a replacement program were undertaken, or if new and important revenues are needed to support essential government services, which of the following do you favor, in order of preference?

	FAVOR	OPPOSE
General Retail Sales Tax (exempting certain necessities such as food)	.....	.....
General Retail Sales Tax (without exemptions)	.....	.....
Individual Income Tax	.....	.....
Gross-ton-mile tax on heavy trucks	.....	.....
Corporation Income Tax	.....	.....
Gross Receipts Tax on all business	.....	.....
Other	.....	.....

2b. If it becomes necessary to use present state taxes in order to support essential government services, which of the following would you prefer be increased?

	YES	NO
Gasoline Tax	.....	.....
Cigarette Tax	.....	.....
Alcoholic Beverage Taxes	.....	.....
Registration fees, passenger cars	.....	.....
Registration fees, commercial	.....	.....
Pari-mutuel Race Tax	.....	.....
Inheritance & Estate Taxes	.....	.....
Corporation Franchise Taxes	.....	.....
Other	.....	.....

COMMENTS:

475b

EXHIBIT P-89

FOR RELEASE: Thursday
January 10, 1952

From: Fred W. Goodwin, Executive Director
N. J. Citizens Tax Study Foundation
786 Broad Street, Newark 2, N. J.
MArket 3-1118

POLL SHOWS GROUPS FAVOR GREATER STATE AID

Ten of New Jersey's largest and most active state-wide organizations believe the state government should assume a bigger share of the costs of New Jersey's school system, the New Jersey Citizens Tax Study Foundation reported this week.

Of the twelve groups replying to a questionnaire issued by the Tax Study Foundation, ten expressed strong approval of increased state aid for education. To get the money for this and other programs, 8 groups favor, while 1 opposes a personal income tax; 8 groups favor, while 4 oppose a general sales tax exempting food and medicine; 6 groups favor while 3 oppose a corporate income tax; and 9 groups favor, none oppose a mileage tax on heavy trucks.

Support for increased state aid for local streets and roads was also shown: 9 for, 1 against. An expanded highway program was favored: 7 to 1, and a state medical college was approved, 7 to 2.

Fred W. Goodwin, executive director of the Foundation, said that a detailed questionnaire was sent to a number of state-wide organizations in an effort to find out their stand on basic questions raised in the Fifth Report of the Commission on State Tax Policy. "As a fact-finding group," he said, "the Foundation takes no position, merely reports the results."

Generally, Goodwin said, the groups replying were opposed to any increase in present taxes on gasoline, cigarettes, alcoholic beverages, passenger car fees, inheritance and estate taxes, and corporation franchise taxes. An exception, however, was the approval by six groups of raising the tax on horse race betting. Only one organization opposed this change.

Among possible new taxes, the biggest support indicated in the replies was for the proposed mileage tax on heavy trucks, now under study by Governor Driscoll. At a press conference last week, the Governor stated that officials are studying the recently-enacted New York weight-distance law which taxes heavy commercial vehicles on the basis of highway use. Goodwin said that the Foundation is now completing a study on financing New Jersey highways and that "one of the significant findings is the fact that taxes on heavy trucks in New Jersey are the lowest in the nation."

"Throughout the answers," Goodwin said, "there was frequent reference to the overwhelming burden of Federal taxes, and recognition that governmental economy is extremely important. It was evident, too, that most of the groups realize that a program of broad tax revi-

sion is not likely to take place in any one year. Rather, there seems to be a belief that constructive action to improve the State's tax policies ought to be started, not only to provide revenues for essential government activities, but also to assure a fairer distribution of the tax load."

Groups which replied to the questionnaire were the New Jersey League of Women Voters, the New Jersey Bankers Association, the New Jersey State Council CIO, the New Jersey Farm Bureau, the State Grange, the New Jersey Federation of Business and Professional Women's Clubs, the New Jersey State League of Municipalities, the New Jersey Education Association, the New Jersey State Conference of the National Council of Jewish Women, the New Jersey Association of Township Committeemen, the New Jersey Exempt Firemen's Association, and the New Jersey Chapter of the American Veteran's Committee. The New Jersey Manufacturers Association also replied, but felt that "until the overwhelming Federal burdens are reduced, there should be no increased burdens of taxes levied either at state or local levels."

"These answers," Goodwin said, "will provide the basis for further research. They indicate a growing awareness of the need for tax revision and show that there is wide public support for action by the 1952 Legislature."

# # #

EXHIBIT P-94

FOR IMMEDIATE RELEASE

FROM: Henry W. Connor, Executive Director
Citizens Highway Committee
605 Broad Street, Newark 2, N. J.
MArket 2-3631

THE YOUNG AND THE RICH NO LONGER SHOP DOWNTOWN

Downtown shopping areas are doomed unless cities take immediate steps to relieve traffic congestion and provide parking facilities. This is the warning issued by the Citizens Highway Committee on the basis of an opinion poll of New Jersey residents on the state's roads and highways.

The poll shows that two out of every three people in the state avoid driving in business and shopping districts in the state's big cities because of heavy traffic.

Even more significant for the future, said John Magovern, Jr., committee chairman, is the finding that the highest percentage of those who avoid downtown shopping is in the younger people and upper-income families.

"This is proof that immediate steps must be taken to provide highways into our major business and shopping areas," Magovern said. "Unless government officials recognize that the heart of the highway problem is in downtown areas, we will be faced with ghost cities. Realty values will drop, tax revenues will dry up, and millions of dollars in real estate investments will be destroyed."

The two most pressing problems, the poll showed, are inadequate streets and lack of parking facilities. Other important reasons cited for avoiding downtown areas were: double parking, poor traffic control, "lights aren't synchronized," and big trucks.

FAVOR TRUCK TAX FOR FINANCING

When offered a choice of four different ways of raising money to finance a greater highway program, a majority of the people favored "an additional tax on heavy trucks

—MORE—

based on the miles they travel and the weights they carry over New Jersey highways." This rolled up twice as many votes as did the second choice—the end of "diversion" of highway-user funds, even if it meant new taxes.

The poll also showed that large segments of the public are aware of the seriousness of the problem, for seven out of every ten people polled said that New Jersey needs more highways. Eight New Jersey citizens feel that the state is spending too little money on its highways for every one who feels the state is spending too much. A majority of those having an opinion favor state bond issues to provide more funds for highway construction during the next few years. In favor were 49 per cent of those questioned; opposed were 39 per cent.

STATE SHOULD HELP

"To those of us who are interested in the future of our state," Magovern added, "it is evident that there must be a new and realistic approach to this highway problem. So much of the traffic congestion is caused by conditions over which local officials have no control that it is logical that the state should use its powers and its revenues to help relieve traffic in our major cities. The alternative is gradual strangulation and ultimate decay of our big cities, with tremendous losses in ratables and tax revenues."

RELIEVE REAL ESTATE

The poll also showed that nearly two out of every three people believe that real estate should be relieved of the burden of paying for the costs of local streets and roads, and that these expenditures should be met by highway-user taxes. "This is in sharp contrast to the present tax structure," Magovern pointed out, "where 82 per cent of the costs of local streets and roads is paid for by local property taxes

—MORE—

and only 18 per cent comes from gasoline taxes and car and truck license fees."

Magovern explained that in 1950 county and municipal governments spent $97,867,495 for roadways and received about $15,000,000 in State Aid. "Thus," he said, "local tax payers are forced to carry the major share of road costs."

The poll, "New Jersey Appraises Its Roads and Highways," was made in January by the Princeton Research Service.

The proposal of the State Tax Policy Commission for a ton-mile tax on heavy trucks received a boost recently when the conference on Interstate Cooperation urged their member states to "enact a weight-mileage tax to assure an effective and fair system of highway taxation."

New York State Senator Mitchell reported on the Oregon weight-mileage tax and said that this program had proved extremely successful. He pointed out that Oregon collected 18 per cent of its total highway-user revenues from commercial vehicles under this tax—"$5,480,368 of a total of about $30,000,000. This substantial sum was collected at the low cost of 4.2 per cent from the operators of 124,000 trucks."

On this basis, New Jersey could anticipate at least $20,000,000 additional revenue . . . a sum that would go a long way toward solving New Jersey's pressing highway problem.

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EXHIBIT P-105

Fact Finders Associates, Inc.

REGULATION HITS INDUSTRIAL GROWTH, NEW SURVEY SHOWS

Strongly adverse effects of excessive government regulation on industrial growth are one of the striking results of a survey of corporate revenues and tax payments just completed by Fact Finders, Inc., New York research firm.

Unpublished information provided by the leading companies in 13 major industries was the basis of the survey. It found gross revenue to have increased, on the average, 155 per cent in the 10 years from 1941 to 1951. The increases ranged all the way from 93.19 per cent for non-ferrous metal production to 408.75 per cent for over-the-road trucking, with the smallest increases significantly concentrated among the most-regulated industries. Railroad revenues showed a 97.50 per cent increase, and those of public utilities a 96.54 per cent gain.

"Non-ferrous metals, such as copper and nickel, are largely imported," the Fact Finders observe, "and both their importation and their domestic production are under government control. The railroads and utilities have not had as much opportunity as other businesses to increase their sales by expansion of plant facilities, nor have they had as much chance to adjust prices to meet inflated costs, because rates are under federal regulation."

The industries covered, and the revenue increase from 1941 to 1951 reported by each, appear in the following table (figures in parentheses refer to the number of companies reporting for each industry):

	GROSS REVENUE INCREASE 1941-1951
Trucking (23 companies)	408.75%
Electrical equipment (3)	240.42
Miscellaneous manufacturing (24)	229.79
Rubber and tire manufacturing (7)	218.85
Auto and truck manufacturing (4)	205.09
Communications (5)	180.97
Chemical products (5)	172.63
Food products (9)	161.10
Retail trade (13)	142.83
Iron and steel (8)	119.35
Railroads (24)	97.50
Public utilities (25)	96.54
Non-ferrous metals (5)	93.19

The position of trucking at the top of the list, with a gross-revenue increase almost double that of the next industry, was related by the Fact Finders to the fact that trucks have been assisted in their growth

—MORE—

through the use of public highways. "Because of public contributions to the cost of the streets and roads it uses, trucking must be considered the only industry among those studied which does not finance all its own plant and is, indeed, the recipient of an indirect subsidy," the Fact Finders report.

The Fact Finders also collated and compared tax information, and found total taxes paid by the 151 reporting companies to stand at 11.6 per cent of revenue received. Public utilities pay proportionately the most taxes, with 1951 taxes equal to 21.81 per cent of 1951 gross revenue. Communications (17.25 per cent), non-ferrous metals (16.94 per cent) and chemicals (16.78 per cent) rank next. Lowest on the list are food products, with taxes equal to 3.04 per cent of gross revenue, retail trade with 5.30 per cent and trucking with 6.83 per cent.

(The tax totals include taxes paid by the companies only; direct consumer taxes are excluded).

Over-all, the survey suggests that trucking is in a favored position today. When the industries reporting the greatest gross-revenue increases are compared, trucking can be seen not only to be leading by a wide margin in percentage of revenue increase, but also to be paying proportionately much the smallest taxes.

	GROSS REVENUE INCREASE 1941-1951	% TAXES OF GROSS REVENUE 1951
Trucking	408.75%	6.83%
Electrical equipment	240.42	15.46
Miscellaneous manufacturing	229.79	12.76
Rubber and tire manufacturing	218.85	14.58
Auto and truck manufacturing	205.09	13.48
Communications	180.97	17.25
Chemical products	172.63	16.78

A comparison of the two transportation industries, trucking and railroads, reveals that the 6.83 per cent of gross revenue paid by trucking in taxes is about two-thirds as much as the 10.43 per cent paid by the rails. The rails contend that this relationship is particularly important because their own taxes contribute nothing to the support of their roadbeds, which they must build and maintain themselves, while trucking's lower taxes represent that industry's total contribution to its roadbed.

The companies queried for the survey were the leaders in their respective fields. The Fact Finders declare that the selected firms in each industry do 50 per cent or more of that industry's total annual business.

Details of the survey's findings are attached.

# # #

Fact Finders Associates, Inc.

INDUSTRY TAX STUDY

(All dollar amounts are in millions of dollars)

	1941 GROSS REVENUE	1951 GROSS REVENUE	PER CENT INCREASE	INCOME TAXES, 1951		OTHER TAXES, 1951		TOTAL TAXES, 1951	
				Paid	% of '51 gr. rev.	Paid	% of '51 gr. rev.	Paid	% of '51 gr. rev.
Automobile & truck manufacturing	$3,507.70	$10,701.66	205.09%	$1,070.23	10.00%	$372.35	3.48%	$1,442.58	13.48%
Chemical products	810.29	2,209.12	172.63	329.12	14.89	41.67	1.89	370.79	16.78
Communications	1,298.69	3,648.96	180.97	339.35	9.30	290.21	7.95	629.56	17.25
Electrical equipment	1,057.63	3,600.42	240.42	387.03	10.75	169.47	4.71	556.50	15.46
Food products	2,830.53	7,390.55	161.10	119.06	1.61	105.35	1.43	224.41	3.04
Iron & steel	3,776.27	8,283.08	119.35	888.47	10.73	186.30	2.25	1,074.77	12.98
Miscellaneous manufacturing	1,116.20	3,681.09	229.79	377.02	10.24	92.86	2.52	469.88	12.76
Non-ferrous metals	571.67	1,104.41	93.19	147.87	13.39	39.27	3.56	187.14	16.94
Public utilities	1,351.59	2,656.38	96.54	279.12	10.50	300.20	11.30	579.32	21.81
Railroads	3,702.52	7,312.64	97.50	315.06	4.31	447.92	6.13	762.98	10.43
Retail trade	3,501.75	8,503.13	142.83	344.10	4.05	106.69	1.25	450.79	5.30
Rubber & tire manufacturing	1,197.00	3,816.65	218.85	318.80	8.35	237.80	6.23	556.50	14.58
Trucking	72.77	370.23	408.75	10.39	2.80	14.91	4.03	25.29	6.83

EXHIBIT P-112

FROM: Joab K. Mahood, Secretary
Pennsylvania State Grange
Telegraph Building
Harrisburg, Penna.

FOR IMMEDIATE RELEASE

The proposed weight increases in Senate Bill 615 would give Pennsylvania's long-haul truckers 12 per cent more revenue for a license fee hike of one tenth of one percent. These are the findings of a Pennsylvania State Grange analysis of ICC reports submitted last year by Class I Pennsylvania motor carriers.

The summary of reports of 15 typical motor carriers shows that these companies would increase their gross annual earnings by more than $3,500,000 for added license fee payments of only $26,352.

The extra revenues would result from the higher pay loads granted by the bill which raises gross weight limits from 45,000 to 48,000 pounds for single axle semi-trailers and from 45,000 to 60,000 pounds for tandem axle semi-trailer combinations.

At a minimum, the study shows, the higher pay load would be one and a half tons per vehicle per trip. The increased license fee would not exceed $37 per vehicle per year. Since the average return per ton of pay load is $10, the report points out, practically all Pennsylvania big truckers would be able to pay their higher license fees in two or three trips.

According to ICC reports, the Grange showed, the 15 Class I motor carriers showed a 24.17 per cent net return on their depreciated investment. This compares with a net return of 9.8 per cent for all industry in the United States during the same period. Under S 615, revenues would rise 12.61 per cent while license costs would increase only one tenth of one percent.

GRANGE ... 2

How trucking firms would profit was illustrated by detailed operating figures from the 15 Pennsylvania firms. For example, a Pittsburgh firm with 37 tractor-semi-trailers and operating revenues of $2,096,796 paid annual license fees of $11,014 in Pennsylvania. If S 615 should become law, the Company would show an estimated rise in revenue of $218,984 on payment of additional registration fees of $1579. Percentage-wise, this would mean a 10.44 jump in revenue for an expense rise of 0.08.

Joab K. Mahood, Grange Secretary, said that this study showed another reason why S 615 should be defeated. He pointed out that registration fees for heavy trucks in Pennsylvania were among the lowest in the nation and that out-of-state trucks now make no payment unless they purchase fuel here. "This whole problem of big trucks and highways," Mahood stressed, "should be thoroughly studied. The Legislature should know from the Maryland Road Tests how much highway damage is caused by big trucks and a committee should be appointed to study the weight-distance tax as proposed early this year by the Grange."

Exhibit P-118

DIGEST OF STATEMENT OF H. A. THOMSON, Secretary of the Pennsylvania State Association of Township Supervisors urging Veto of S615.

Continuing their opposition to any increase in truck weights as would be permitted under the Big Truck Bill, the Pennsylvania State Association of Township Supervisors asked Governor Fine to veto the bill and create a study committee to "learn what weights our highways can stand and how highway taxes can be most fairly distributed." Thomson called the bill "unfair, unclear, and discriminatory to township roads" for these reasons:

1. As township roads are not primarily financed from motor license fund money, the costs of the extra damage caused by heavier trucks must be paid for by the small local taxpayer.

2. S615 is too mixed and complex to be properly interpreted.

3. S615 calls for lower fines for violating weight limits on the posted township roads and bridges, which were never built for heavy loads, than on the unposted, sturdily-built state highways. At the present time all fines for overloading are $50. Under S615, the fine would be $50 if the overload occurs on township roads or bridges, $100 plus $2 for each extra 100 pounds if the overloader were caught on the state highway.

4. The 5 percent tolerance in S615 is an attempt to circumvent the law as interpreted by judicial decision, and raises the legal weight limits: of axle loads from 20,000 to 21,000 pounds; of the heaviest truck combination from 62,000 to 65,100 pounds. In Dauphin County Court, Judge Brahm said, in Dillmer Transfer Co. vs. Otto F. Messner: "The 5 per cent tolerance is in no sense an increase in weight limit". Yet S615 freezes the 5 per cent tolerance as part of the legal weight.

5. S615 makes reduction of the overload permissive and then only to the gross load limit plus the 5 per cent tolerance. The present law requires that the overload must be removed regardless of tolerance.

6. Studies should be made of the possibility of classifying roads according to weights which they can safely carry. Thus: 30 ton trucks might be permitted on major highways; secondary roads might be limited to 22½ ton vehicles; and township roads restricted to 15 tons or less.

7. Even with the increased fee of S615, Pennsylvania ranks 46th of the 48 states in taxes levied on each 20 ton tractor trailer unit.

Exhibit P-119

Summary of statement of Joab K. Mahood, Secretary of the Pennsylvania State Grange, in opposition to approval of Senate Bill 615.

In urgina Governor Fine to veto S615, the Big Truck Bill, Joab K. Mahood, secretary of the Pennsylvania State Grange said, "Probably no bill of its kind, opposed by so many and supported by so few, ever passed any Legislature." He stressed that the vast majority with a thick volume of editorial reprints which he submitted as Exhibit A.

Specifically, Mahood listed these points of opposition:

(1) S 615 would legalize weight limits that would jeopardize the huge investment in highways, endanger thousands of bridges on both primary and secondary roads.

(2) Passage of S615 would lead to the destruction of a large part of the Pinchot Roads which have proved so important to rural people.

(3) Highways are not expendable during this emergency period when costs are high, materials and manpower short.

(4) Other states with higher weight limits are seeking to reduce truck weights. Ohio recently found it necessary to cut weight limits of big trucks entering from the new Turnpike extension.

(5) America cannot afford to build roads to suit traffic needs and must make traffic conform to the capacity of the roads we have.

(6) According to a survey conducted by the Council of State Governments, practically all State Highway Departments, including that of Pennsylvania, hold excessive truck weights responsible for undue deterioration of our roads, besides being responsible for many accidents.

EXHIBIT P-126

"WHY THE RAILROADS MUST DO A BETTER PUBLIC RELATIONS JOB"

Address made before the

NEW YORK RAILROAD CLUB

By

Wm. WHITE, President

The Delaware, Lackawanna and Western Railroad Company

At

Hotel Commodore, New York City,

Thursday, April 17, 1952.

I wish to congratulate the New York Railroad Club for the progress it has made in the last few years in discussing matters that are of mutual interest to its members, whether their primary field of business be railroads, industry or finance. I hope that the new type of program initiated tonight, whereby all members are invited to participate in a dinner meeting, will prove to be successful.

It is a distinct honor to be invited to speak before the Club on this occasion. We have a subject of the highest importance to discuss.

My audience contains people engaged in many kinds of business, but by and large they are railroad men or railroad supply men. The railroads buy your goods and sell you transportation. You are buyers of transportation and sellers of merchandise. In business we enjoy a connubial relationship—compatible I hope—that makes us dependent on each other. If that happy state is to continue, there are a lot of public relations activities on which we need to develop more cooperation than ever before. Not to correct any flaw in our relationship with each other, but to defend our mutual interests—the profits arising from our association—from threats that come from outside of our own ranks.

I speak not as an expert on public relations, although I do not consider that public relations requires expertness, because it is not of a technical nature, it is something that enters into our every-day business life and it matters not

what kind of business we are in. Too often—I fear—public relations is looked upon as a staff function as contrasted from a line function; in too many businesses the organization conceives the public relations job to be that of the man whose title bears the designation, whereas public relations is the job of everybody in every business organization, from the chief executive right down through the ranks.

My subject to night is WHY THE RAILROADS MUST DO A BETTER PUBLIC RELATIONS JOB. There are two kinds of public relations, but they are inter-dependent one on the other.

The first is that type of public relations which has as its basis the right kind of service to the public; which recognizes that the men at our ticket windows, on our trains, and all those having contacts with shippers and passengers are our primary ambassadors of good will. It is the type of public service that makes a railroad journey a pleasure, provides relaxation and a good sleep; where, in commuter service, the trainmen loan money to the commuters who have forgotten their wallets and gotten aboard with neither ticket nor cash; where there are no freight car shortages and freight moves with dispatch and without damage; where people have no difficulty in arranging their journeys and making reservations.

The railroads have provided a lot of new equipment and many railroads have programs for training their employees

in the methods of service and salesmanship. But this is not enough. We must inculcate into every railroad employee the idea that good service is the foundation of all public relations.

If I were addressing only railroad men, I would dwell on this type of public relations in greater detail. But we railroad men know what good service is and we should spare no effort to provide it. We must give it greater impetus than ever before, because if we are going to have a relationship with the public such as we are seeking, the public must be our friends and we make friends only by rendering willingly good service in every aspect of our business.

Speaking a few months ago before the American Management Association in Los Angeles, Mr. Keith S. McHugh, President of the New York Telephone Company, outlined the policy that has guided the Bell System for so many years. Relating to the obligations of the Bell System to its customers and investors in the telephone business, he stated that policy as follows: "Obviously the only sound policy that will meet these obligations is to furnish the best possible telephone service at the lowest cost consistent with financial safety." He added that "this policy is bound to succeed in the long run and there is no justification for acting otherwise than for the long run." Continuing, he said that "this obligation to the public recognizes equally its responsibility to its employees, to whom must be paid salaries and wages in all respects adequate and just, and

to make sure that individual merit is discovered and recognized."

That policy, I believe, we can all adopt for the railroads with great benefit to our industry. Remember what it encompasses:

1. The best possible railroad service.
2. At the lowest cost consistent with financial safety.
3. Salaries and wages in all respects adequate and just; and
4. That individual merit is discovered and recognized.

But do not forget that all four of these guiding principles are inter-related—we must successfully accomplish all of them if our business is to be conducted with satisfaction to the public, to our investors and to our employees.

The other kind of public relations, and the one which I particularly wish to discuss tonight, has to do with problems of the railroad industry that concern all of us. The fact that we have had a railroad problem in this country for many years stems from the fact that the railroads have been taken too much for granted and that the railroads themselves have not attacked the problem in the right way. They have not taken that problem to the bar of public opinion, nor have they convinced American businessmen and the public generally that the railroad problem is one to which they must give heed in their own interest and not in the interest of the railroads alone.

This problem is not nearly so serious to railroad management, as such, as it is to the general public, and particularly to American businessmen. It matters not one bit whether a few railroad Presidents who are close to retirement age become Federal Managers and have their salaries reduced. Much more serious than that would be the effect upon all people and all business of government ownership and operation of our railroads, because no government has ever been adept at running a business and we could expect only poorer service and higher and higher deficits saddled on the American taxpayer.

There is no public demand from any quarter for Government ownership of our railroads. But let that provide no comfort, because government ownership could come easily by default through a refusal of the American public, and particularly the American businessmen, to take heed of the danger signals which stem from:

1. Regulatory laws which have become archaic and which seek to regulate the railroads as a monopoly, which they are not.
2. From regulatory procedures that are outmoded and take too much time.
3. From a type of political thinking that permits the use of public funds in the form of subsidy in aid of other forms of transportation and expects railroads—paying their own way—to compete in the transportation markets of the country.

4. From a type of economic philosophy existing in our regulatory agencies that fails to recognize the necessity for railroads earning high profits when doing a high volume of business.

5. From an inadequate rate of return—which is simply another expression for inadequate profits—over a long period of years, which stems from the causes enumerated above—and which are causing an erosion of capital and makes the investment of money in railroad securities a risk that is too great for the investor.

These, as I see them, are the fundamental aspects of the railroad problem which need correction. Correction must come from the halls of Congress, from the legislative assemblies of each State, and from the Federal and State regulatory agencies, and it is to the bar of public opinion that we must take these problems. Public opinion—which is the goal of public relations—comes from the individuals and the groups back where the voters live, when they are awakened to the fact that things are going on that threaten their security, their future and their own independence of action. In other words, public opinion comes from all of our home towns, from the farms and from articulate groups.

The railroads have been so long under the iron fist of regulation that many of the very industries which depend

upon railway transportation for their economic lives simply consider it routine that the railroads labor under archaic regulation. We must accept the principle of regulation of the railroads. But that regulation should never be punitive and should be only in a degree—and no more—than is necessary in the public interest and which recognizes that the fundamental laws of economics apply as well to regulated railroads as to all other types of business operating under our competitive capitalistic profit system.

For many years the railroads alone were regulated; then came other public utilities. It may be well here to recall what has happened in the last few decades. Federal control has spread into the fields of power, communications and agriculture as policing authorities. Not content with that, subsidies with tax funds then were used to extend further the encroachment of government control over industry and enterprise.

The regulation of securities exchanges, coupled with broadened powers over all commercial banking granted to the Federal Reserve System, actually made the Government the arbitrator of all credit required for expansion of industry. Using subsidy as a bait, the bureaucrats moved on into the field of private construction and public building, and set up the strictest kind of control over agricultural production and marketing. Finally, the occurrence of World War II gave the final excuse for a frontal attack on American industry. By using war powers and alleged emergency authority, a government supposed to protect our freedom has brought us to the pass where we are today.

Federal monies amounting to millions were plowed into the financing of new steel mills and placed under the control of an organization which could produce with very little regard for cost encountered by the industry itself because of the subsidy it received in cash and in kind.

In the aluminum industry, again war was made the excuse for the establishment of a subsidized competitor which is today one of the great producers of aluminum in this country.

Under the guise of flood control, a vast bureaucratic organization was set up in the Tennessee Valley providing power and navigation facilities, and the bureaucrats—hungry to set up other authorities in other Valleys—are continuing to threaten the life of private enterprise.

And so it goes, slowly but inexorably, accepted complacently and too often advocated by American businessmen when their industries benefit financially from such use of government money.

Just last week we had a dramatic example of government intervention in business when the President seized the steel mills in connection with a labor dispute. Whether there was legal sanction for such action I am not qualified to say and we can only hope that this fundamental question is decided in a court of equity strictly in accordance with our Constitution and laws. I mention it only because of the shocked surprise which greeted this action. In contrast with that astonished reaction, people forget the fact that the

railroads have been under government control for a year and a half. The railroad seizure is undoubtedly sanctioned by law, but the fact remains that even now the railroads are under the control of the government and regardless of the merits, or otherwise, it is not a happy state of affairs and one about which we should not be complacent.

So far as I am able to learn, the only industrial group outside of the railroads that has been constantly aware of the encroaching threat to the American way of life has been the power and light industry, which has fought unceasingly on all fronts against encroachment by government on what should be a competitive business. And even the power and light industry has had more failures than successes in its fight, because no single group—or for that matter no pair of industries—can wage a fight of this nature successfully.

We have just concluded a treaty with Canada which permits the diversion of more water from the Niagara River for the production of hydro-electric power on the American side. Five light and power companies have offered to provide the capital necessary to produce that power and the cost is estimated to be in the neighborhood of $350,000,000. But what do we see—a determined effort in the Congress and among the bureaucrats to have the government build these power facilities, and two such great exponents of the American way of life as our own New York Senators,

Irving M. Ives and Herbert H. Lehman, want the government to go into this business while existing power companies are ready, willing and able to do so.

There must be a genuine crusade in all industry awakened by the railroads to assert a new declaration of independence, which properly advocated, will win in the near future the overwhelming support of the people. When under the guise of emergency or some other excuse, practically every business is getting a dose of regulation and the usurpation by bureaucracy of the functions of private management, we will at least find some public understanding of the background in which the railroads alone have had to carry the fight for so long.

The Eastern Railroads have for some time been engaged in a definite program for the establishment of a modern national transportation policy. The campaign asks no special advantages. It simply seeks that transportation be put on a basis of fair returns for all types of transportation, based on the cost and value of services when stripped of crippling regulation and a maze of government subsidies thrown helter-skelter into highway, water and air services without regard to basic costs or values to shippers.

Behind this campaign each of the Eastern Railroads is taking every possible step to improve relations with the

public in basic services. We embarked upon this new public relations program because of mounting evidence that there was a growing public fear about the very distortions in government power which have crippled us so greatly in our business. We did not have to invent our arguments or go seeking blindly in a wilderness of ignorance for persons who might agree with us. A small but highly important and intelligent minority of thoughtful people already had begun to say the very arguments which applied to our case.

We had on our side a report written by the transportation task force for the Hoover Commission on Re-organization of the government. We had the report of a completely unbiased study made in great detail by the Brookings Institution. FORTUNE magazine published a survey about "The Transportation Mess", with statements no railroad official would have dared to make as an interested party in the debate.

The Senate Committee on Interstate and Foreign Commerce began a transportation inquiry, out of which has come already an astounding report which has come to be known as the "Bricker Report."

The National Grange—the first advocate of railroad regulation back in the 1870s—has perceived the danger signals and has come out publicly for a modernization of transportation laws and policy.

The Transportation Association of America—after three years of intensive effort by a group representing railroad,

highway, waterway and airway transportation, users of transportation and investors in transportation—is about to espouse a program looking to the modernization of our national transportation policy.

These are the facts with which the railroads are armed in this current public relations campaign, plus the very evident support of countless publications and other media of public expression.

We perceive it to be our job to put facts into the hands of enough people to create an eventual public understanding of our problem, which most surely will have its effect on legislation in the Congress.

The current program of the Eastern Railroads and the broader goals which we hope to achieve, rest with you just as much as with the railroads. If we were simply asking for some advantage for the railroads, we would not expect to make any progress at all and could not honestly ask your cooperation, because that would mean only that two groups—the railroads as your representatives and you gentlemen as its suppliers—were trying to pick up some extra nickels in profit.

And this is where we beseech your aid, both as business partners with us and as important spokesmen in the American economy.

It takes a long, hard pull to correct an error in public thinking—a much greater effort than usually is involved in passing the original hasty laws that probably were based on political expediency.

The railroads were the first victims of an improper kind of government regulation. Today we have the responsibility to lead the fight that will reverse the trend, to the great benefit of all business and of all the public.

All railroad men who are worth their hire must join the battle; but they cannot carry this fight by themselves. So we ask you and all American businessmen to join us in this public relations program. You and we, and all American business, are either going to go forward or sink together under the heavy hand of regulation. So we might as well get into the game and pitch together.

As you very well know, public opinion is not made in Washington, and that is why we need to carry the campaign into the offices, the homes and schoolrooms of all America.

We of the Eastern Railroads are carrying this story of facts out along the routes we serve, but necessarily our activity is limited by the time that we can devote to it and at the same time maintain efficient railroad operation requiring full time work by everyone of us. We put into this program spare time which we have to create, and I ask you to do the same.

If you wish to join this movement as advocates of the doctrine of freedom, you will find, as we have, that you don't need to break down doors to get a hearing, but that the doors are open wide to welcome you.

You will find ready audiences anxious to know the facts in virtually every local chamber of commerce—in the Rotary, Kiwanis and Lions Clubs, in taxpayer groups, among associations of home owners and Parent Teachers Associations—in fact, in virtually every type of civic or citizen organizations made up of people who are concerned about maintaining and improving the system under which we live.

Let's get into this thing and fight together. The Eastern Railroads promise you that they will supply any material which you and your companies can use, not to plead a special case for the railroads but to make an iron-clad argument that will comprise substantial weapons in this fight for a modernized transportation policy.

No government agency can exert more authority than the Congress gives it. And Congress is always quick to check tyranny when it finds the public opinion in revolt against it.

This fight transcends party lines or political parties. It finds its friends, when they are well informed of what is happening, in every political party and every group.

You probably remember Ernest Hemingway's book of a few years ago entitled "FOR WHOM THE BELL TOLLS." The theme was that when one man dies, a little bit of all mankind dies. The full quotation on which he based his story was, "Ask not for whom the bell tolls, it tolls for

everyone." If anything was ever true as it applies to business that certainly is true today. Years ago the bell tolled for the railroads. No one was very frightened then, but as the bells toll for others we gain understanding and frightened comrades.

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ADDENDUM

Perhaps you would expect me to say something about the fact that the Interstate Commerce Commission in its decision of last Monday in Ex Parte 175 granted the railroads practically all they asked for in the way of increased rates and charges. We are pleased about the fact that the Commission granted substantially what we asked for. But I ask you to remember that the railroads did not ask for more than enough to offset the increases in wages and material prices to which they have been subjected, and the full amount of this increase—even if it results in no diversion to other forms of transportation—will not yet permit the railroads to earn an adequate return.

Most disappointing to us is the fact that the Commission would not permit us to include this increase in the basic rate structure. Instead it must be applied on our freight bills as a surcharge, and the increase is limited so as to expire February 28, 1954, a period less than two years, during which period it may be modified or amended by the Commission.

This is very unfortunate and ignores the fact that the railroads must do long-time planning; that they must finance their equipment purchases for periods of ten to fifteen years. Our capital improvement programs must

be projected ahead based on our best judgment as to what money we will have to spend. There always exists enough uncertainty with respect to the business cycle as to give pause when estimating our ability to finance an extensive capital improvement program. To add to that uncertainty, by having hanging over our heads the possibility that all of this increase in freight rates and charges will be lost come February, 1954, is most unfortunate.

EXHIBIT P-168

FOR RELEASE
AM's of Friday, Nov. 17

FROM: Bureau of Public Roads
Ohio Department of Highways
Columbus, Ohio

NEW YORK, Nov. 16—The nation's highways cannot stand up under wartime traffic demands if subjected to the pounding of excessive truck loads, an 11-state conference on road and safety problems was informed here today.

T. J. Kauer, Ohio's Highway director and chairman of the Inter-Regional Council on Highway Transportation, in a report prepared for delivery at the conference here, disclosed that a half-million dollar road test in Maryland, now only two-thirds complete, already offers evidence that "increased heavy loading might seriously disrupt the effectiveness of highly essential routes" in the event of all-out war and the resulting upsurge in truck traffic.

The report, before the 15th Annual Northeastern Regional Conference on Highway Safety and Motor Vehicle problems, also revealed that one phase of the test—involving the heaviest loaded trucks—had to be halted even though the test still has two more months to go.

"While we must await the completion of the tests for a thorough analysis, it stated, "surely the results already conclusively indicate that further increases in legal weights of commercial vehicles should be halted."

It urged that the "moratorium on upward revisions in truck weight limitations, as proposed at the Governors' Conference this year, should definitely and decisively be accomplished."

Kauer's report was presented to the conference in the Roosevelt Hotel here by William Van Breemen, research director of the New Jersey Highway Department. Kauer, himself, was unable to attend because of illness in his family in Columbus, Ohio.

The road test referred to is being conducted on a 1.1 mile section of Route 301 in southern Maryland under auspices of the U. S. Bureau of Public Roads and the highway departments of 11 states and the District of Columbia. It had its origin at the first meeting of the Inter-Regional Council on Highway Transportation in Columbus, Ohio, last spring, and the tests were started in June.

The Maryland experiment has established that damage to pavement increases heavily with truck weights, the report indicated. As of November 1, 18,000-pound single axle trucks had caused 135 feet of cracks in the road's surface; 22,400-pound single axle loads, 726 feet, and 34,000-pound tandem axles, 597 feet. The lane subjected to the pounding of 44,800-pound tandem axle trucks was shut down October 13.

"Extensive cracking first became most noticeable on the 44,800 pound lane and rapidly developed to such an extent as to require suspension of truck operations because of the hazards of operation and potential damage to the trucks," Breemen added.

Only 92,166 trips over the lane resulted in the "startling" total of 3,303 feet of cracks, he revealed.

"You might say that these are not normal loadings and that the tests are accelerated way beyond normal usage of our highways," Kauer's report continued. "This is not true of Ohio's highways and likewise I can well imagine that similar heavy truck traffic is traversing the highways of Ohio's sister states.

"With axle loads being applied to each section of the test pavement at an average frequency of about one per minute, it is apparent that many of our present highways are called on to withstand equal or greater applications of legal loads. Comparisons with several of Ohio's heavy truck routes reveals that heavy truck units and combination units are subjecting those pavements to greater frequencies of applications."

States included in the two-day conference here are: Connecticut, Delaware, Illinois, Kentucky, Maryland, Virginia, Wisconsin, Michigan, New Jersey, Ohio, Pennsylvania and the District of Columbia.

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EXHIBIT P-235

FROM: H. A. Thomson, secretary
Pennsylvania State Association Township Supervisors
225 State Street, Harrisburg, Pennsylvania

July 26, 195[illegible]

MEMO TO EDITORS:

Here are some further facts on Senate Bill 615, the Big Truck Bill. The measure is now before the House of Representatives and will probably be voted on soon.

If you agree with us that this measure should be defeated, we hope you will find these data useful in an informative editorial.

WHO IS OPPOSED TO THE PASSAGE OF S615:

Pennsylvania Motor Federation (AAA)..... 57 branches
Keystone Automobile Club
Pittsburgh Motor Club
Pennsylvania State Grange
Pennsylvania State Association of Township Supervisors
Pennsylvania Federation of Womens' Clubs
Congress of Industrial Organizations
United Mine Workers
Pennsylvania Society of Professional Engineers and many local and county organizations

WHAT ARE THE MAJOR PROVISIONS OF S615:

Increasing the legal weight limits of heavy trucks:

for single-axle semi-trailers: from 45,000 to 48,000 pounds
for tandem-axle semi-trailers: from 45,000 to 60,000 pounds

HOW MANY VEHICLES CAN NOW CARRY OVER 45,000 POUNDS LEGALLY?

There are less than 100 out of 424,214 commercial vehicles registered in Pennsylvania authorized to carry over 45,000 pounds without a permit. These few vehicles are tractor-full trailers. Two separate vehicles. They are the only ones who can legally haul 62,000 pounds.

THE LEGAL WEIGHT LIMIT IS 45,000 POUNDS FOR 99.99 percent of all trucks.

WHY DO THE TOWNSHIP SUPERVISORS OPPOSE S615:

BECAUSE the vast majority of Pennsylvania roads and bridges were not built to carry such heavy weights.

BECAUSE engineers are practically unanimous in their statements that big trucks cause highway damage.

HERE IS A SUMMARY OF THE ANSWERS TO THE QUESTION:

"What effects are heavy trucks having on Pennsylvania roads?"

THOMAS BUCKLEY, DIRECTOR OF PUBLIC WORKS FOR THE CITY OF PHILADELPHIA:

"Fortunately, we are able to regulate the speed of trucks and thus able to escape most of the terrific damage they do on the state roads. If truck weight limits are raised, it will jeopardize most of our recent bridges and many of those now being built at a cost of millions to Philadelphia taxpayers."

STREET COMMISSIONER GEORGE A. REUSSNER, BETHLEHEM:

"Damage in our city is terrific and truck overloads are to blame. No street in Bethlehem is designed to carry even the present truck loads and we must now entirely rebuild the main east bound traffic route due to its actual and complete destruction by heavy trucks."

ARTHUR C. THRONE, CHIEF ENGINEER OF DELAWARE COUNTY:

"No matter where we have set the legal limit for the loading of trucks, there have always been those who break the law to make a higher profit. We have got to tighten up the enforcement of weight regulations. The public has too much at stake in its roads and bridges to take any chances."

E. L. SCHMIDT, CHIEF ENGINEER OF THE PENNSYLVANIA DEPARTMENT OF HIGHWAYS:

"The Maryland Road Tests proved definitely that the heavy axle load, which the truckers want, will destroy our roads."

WILKES-BARRE CITY ENGINEER GUY WALKER:

"We are putting in heavier bases on our main streets: nine inches instead of six inches."

NORTHAMPTON COUNTY COMMISSIONER ARTHUR RILAND:

"Our excessive bridge and highway repair bills are easily traceable to overloaded trucks."

DIRECTOR OF STREETS, E. GENE SCHWEINBERG, NEW CASTLE:

"If trucks get off the main routes, they cause a great deal of damage."

McKEEPORT TRAFFIC INSPECTOR FRED MATHENY:

"There is no doubt that constant pounding by heavy trucks has ruined McKeesport Streets."

CHIEF ENGINEER JOHN D. STEVENSON, PITTSBURGH:

"We know that heavy trucks are tearing some of our streets to pieces."

And on July 23, 1951, a Pennsylvania Turnpike Engineer said: "Heavy trucks do the most damage. The heavier their loads and the higher the speed, the more damage they do."

WILL S615 HARM BRIDGES?

Yes. More than 60 per cent of the township bridges will be in danger of collapse if the weight limits are permitted to increase. There are 9,460 township bridges in Pennsylvania. Of these, 1,860 are rated "poor"; 3,996 rated "fair". All incapable of safely handling the proposed 30 ton loads.

DO OTHER STATES HAVE HIGHER WEIGHT LIMITS?

Yes. Several neighboring states permit heavier trucks, but Pennsylvania has a greater mileage of State highways than that of the six New England States plus New York, New Jersey, Delaware, and Maryland.

In states with higher weight limits, the highways have been so severely damaged by heavy truck traffic that the officials are either asking for large increases in truck fees, a weight-distance tax for heavy trucks, or a reduction in weight limits. In Ohio, Governor Lausche said:

"Large trucks with heavy cargos are definitely damaging highways . . . and are not constributing their fair share for the construction and maintenance of Ohio roads."

Governor Dewey of New York: "Maintenance and repair costs increase geometrically with the weight of the vehicle. Heavy trucks cause greatly increased highway expenditures."

In its latest issue of the Press Sheet the American Automobile Association has this to say about "ROAD DAMAGE":

When the road tests at La Plata, Md., began giving evidence that overloading tended to cause a breakup of the highways, the trucking industry promptly pointed out that these tests were not conclusive that, among other things, they pertained to only one type of road surface and one type of subgrade.

The arguments over the La Plata tests, and similar future studies will probably go on for years. But the State legislatures, which have the responsibility of providing funds for keeping highways operable, are evidently impressed that something has been damaging the roads and this year no less than nine States substantially upped their penalties for truck overloads.

Until it can be proved that heavy loads do not damage highways built for normal traffic, it is the course of wisdom for States to hold the line against any further increases in weight limits and enforce to the hilt the laws now on the books.

EXHIBIT P-273

THIS BASIC RELEASE WAS SENT BY THE MOTOR FEDERATION TO ALL LOCAL CLUBS WITH A REQUEST THAT IT BE FILLED IN AND TAKEN PERSONALLY TO THE LOCAL NEWSPAPER:

July 13th news letter

....., President (or Secretary) of the ..... Automobile Club, representing ..... motorists, today urged the local member(s) of the House of Representatives to reject the trucking industry's demands for heavier trucks and defeat the big-truck bill (S615) now pending before the lower house.

..... charged that heavier trucks would make Pennsylvania's highways more dangerous to motorists and would cost the state's highway-users and general taxpayers additional millions of dollars each year in highway maintenance costs.

Attacking what he termed the "Legislature's disregard for engineering facts and advice" ..... said the Commonwealth should wait for the final results of the Maryland Road Tests to determine the damage which heavy trucks inflict on highways.

"Pennsylvania has made a substantial payment for these tests," ..... said. "It would be a shameful waste of the taxpayers' money to increase weights before these tests are complete."

He said "A small, well-organized minority of heavy truckers is trying to take advantage of the great majority —the three million motorists in Pennsylvania."

"The ever-increasing tendency to permit heavier and heavier trucks must be halted if we are to protect our billion dollar highway system," he added.

EXHIBIT P-274

FROM: Joab K. Mahood, Secretary
Pennsylvania State Grange
Telegraph Building
Harrisburg, Pennsylvania

FOR RELEASE—Monday, August 13, 1951

[Handwritten notation—*P274*]

Defeat of the Big Truck Bill and enactment of a weight-distance tax would go far to solve two of the Legislature's knottiest problems: truck weights and additional revenue, Joab K. Mahood, secretary of the Pennsylvania State Grange, said yesterday. He urged that a commission be appointed immediately to study the proposals and report back later this year.

"Now that the Legislature is deadlocked on tax proposals," he said, "every source of new revenue should be studied. With the rising expense of maintaining truck-damaged highways, it is clear that there must be a permanent, sound system of road financing and proper protection for our highways and bridges. From the experience of other states, it seems evident that Pennsylvania can raise an additional $20,000,000 to $25,000,000 a year by making big trucks pay their fair share of highway costs."

Mahood pointed out that the proposed commission would have the advantage of factual data: (1) On truck damage to highways from the final report of the Maryland Road Tests to be released in October; (2) on the weight distance tax as recently enacted in New York State.

"As the Grange showed recently," Mahood added, "the passage of the Big Truck Bill would permit a handful of long-haul truckers to increase their earnings by millions while Pennsylvania would receive no more than an additional $37 per year per vehicle."

He said that Pennsylvania now receives no revenue from out-of-state trucks except a few pennies gas tax and that heavy truck fees here were among the lowest in the nation. For a 30 ton, four axle tractor-semi-trailer, he reported, Pennsylvania would charge a $297 registration fee com-

(more)

pared to total fees of $1134 in Illinois, $1400 in New York, $1115 in California, and $1567 in Florida. He stressed that scores of states are now studying ways to adopt the proposals of the Council of State Governments for the weight-distance tax on heavy trucks.

"While we are confident that the Big Truck Bill will be defeated because of the overwhelming public opposition," Mahood continued, "we recognize that this defeat does not solve the critical problem of highway maintenance and upkeep. A factual study by highway engineers and tax experts is sure to provide sufficient data to make an intelligent, sound, long-range solution possible."

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EXHIBIT P-283

Senate Bill No. 615—the Truck Bill—will:

1. Raise the maximum allowable gross weight limits for a large number of trucks and tractors and for a limited number of semitrailers and full trailers.

The greatest increase is given to tractor and tandem-axle semitrailer combinations, which will be permitted a 60,000-pound gross-weight limit instead of their present 45,000-pound limit.

The maximum gross weight limit for tractors and single-axle semitrailers is raised from 45,000 pounds to 48,000 pounds.

2. Raise the single-axle load limit for three-axle single-unit trucks from the present 18,000 pounds to 20,000 pounds, bringing the axle-load limit for this type of vehicle into line with the limit for all other commercial vehicles in Pennsylvania.

3. Allow a 5 per cent tolerance on all gross weight limits.

Therefore, although the bill sets a limit of 62,000 pounds for a truck and trailer, for example, the driver of such a vehicle cannot be arrested if the gross weight of his vehicle does not exceed 65,200 pounds.

The practical gross-weight limits, under this clause, become: 50,400 pounds for a tractor and single-axle semitrailer; 63,000 pounds for a tractor and tandem-axle semitrailer, and 65,200 pounds for a truck and full trailer.

4. Greatly stiffen penalties for violating gross-weight limits and establish, for the first time, a penalty for violation of an axle-load limit.

The top fine for violating gross-weight limits is now $50; the bill proposes to impose a fine of $100 plus $2 for each 100 pounds of overload.

The bill also proposes a fine of $25 plus $2 per pound of overload for violating an axle-load limit; at present there is no fine for this offense.

Engineers agree, however, that it is axle weight, not gross weight, which inflicts the greater road damage. Overloading of an axle, there-

fore, is considered in most states a more serious offense than violation of gross-weight limits and is penalized accordingly.

5. Empower a judge to impound an overloaded vehicle pending payment of fines but not to deprive the offender of his right to operate any other truck.

6. Require the driver of an overloaded truck to reduce his load on the spot.

7. Increase registration fees for those vehicles whose gross-weight limits are increased.

Maximum increase is for a three-axle truck and full trailer—$74, a rise of slightly more than 20 per cent over its present fee. The tractor and tandem-axle semitrailer, which is granted a 15,000-pound increase in its gross-weight limit (33 per cent rise) would pay $204 instead of its present $171.

8. Establish minimum braking surfaces, according to gross weights, and require trucks to have enough engine power to go up a 2 per cent grade at a speed of at least 20 miles per hour.

The average grade in Pennsylvania is 5 per cent.

9. Establish, for the first time, a tandem-axle load limit. The limit is set at 36,000 pounds, which is higher than the limit in most states but does represent a 4,000-pound reduction in the present allowable tandem-axle load.

The Truck Bill will NOT:

1. Reduce the present maximum allowable axle load of 20,000 pounds. An axle load limit of 18,000 pounds is recommended by the American Association of State Highway Officials and is in effect in 34 states. The Maryland Road Test—in which Pennsylvania participated —substantiates the AASHO's insistance upon this limit.

2. Raise the state's present maximum gross weight limit for any combination except that it does permit the 5 per cent tolerance and therefore, in practice, allows a slight increase.

3. Raise the maximum gross weight limits for more than hal trucks and tractors operating in this state and for the great ma of semitrailers and full trailers.

4. Add the burden of responsibility for weight-law violatio shippers or owners or lessees of overloaded trucks. At present, the driver is penalized. Studies in New Jersey, Ohio and Mar have shown that the trucking company or the shipper, or both, us is more to blame for overloading than the driver; some drivers r they have been ordered to drive overloaded trucks and threatened dismissal if they refuse.

A detailed analysis of the proposed changes in registration fee gross-weight limits for each type of vehicle is shown on the att pages.

Pennsylvania registers all commercial vehicles according to cl weight classifications and according to type of vehicle (truck, tra semitrailer, etc.). The vehicle's chassis weight determines the tration fee it must pay and the maximum gross weight (weight c complete vehicle plus weight of the maximum load) it may attai

The State divides motor carriers into four categories: (1) two trucks and tractors; (2) three-axle trucks and tractors; (3) one two-axle semitrailers and two-axle full trailers, and (4) three-axl trailers. Each of these categories is further divided into chassis-w classifications; each classification is assigned a registration fee a maximum allowable gross weight.

The classifications for each type of vehicle, the present and pro registration fees and the present and proposed maximum allo gross weights are as follows: (according to amendments to S 6 of 14 June):

TWO-AXLE TRUCKS AND TRACTORS

Class and Chassis Wt.	Present Fee	Proposed Fee	Present Gross Weight Limit	Proposed Gross Weight Limit
R—Under 2,000	$ 16.50	Same	5,000	Same
S—2,000-2,999	26.00	Same	7,000	Same
T—3,000-3,999	35.00	Same	11,000	Same
U—4,000-4,999	45.00	$ 49.00	15,000	16,500
V—5,000-5,999	70.00	77.00	19,000	21,000
W—6,000-7,500	96.00	109.00	23,000	26,000
Y—7,500-9,000*	120.00	134.00	27,000	30,000
Z—Over 9,000*	175.00	192.00	30,000	33,000

*—The bill also proposes that the Y classification be set at from 7,500 to 10,000 and that the Z classification be set at everything from 10,000 up.

THREE-AXLE TRUCKS AND TRACTORS

RZ—2,000-2,999	$ 40.00	Same	12,000	Same
SZ—3,000-3,999	50.00	Same	14,000	Same
TZ—4,000-4,999	60.00	Same	16,000	Same
UZ—5,000-5,999	98.00	$106.00	24,000	26,000
VZ—6,000-7,499	168.00	186.00	28,000	31,000
WZ—7,500-8,999	186.00	203.00	32,000	35,000
YZ—9,000-12,000	215.00	239.00	36,000	40,000
ZZ—Over 12,000	250.00	294.00	40,000	47,000

ONE- AND TWO-AXLE SEMITRAILERS AND TWO-AXLE FULL TRAILERS

A—Under 1,000	5.00	Same	3,000	Same
B—1,000-1,999	8.00	Same	6,000	Same
C—2,000-2,999	15.00	Same	10,000	Same
D—3,000-3,999	25.00	Same	12,000-one axle	Same
			16,000-two axles	Same
E—4,000-4,999	30.00	Same	14,000-one axle	Same
			20,000-two axles	Same
F—5,000-5,999	45.00	Same	16,000-one axle	Same
			24,000-two axles	Same
G—6,000 and over	75.00			

$84.00-one axle; 18,000-one axle; 20,000-one axle
95.00-two axles; 26,000-two axles; 33,000 two axles

THREE-AXLE FULL TRAILERS

Class and Chassis Wt.	Present Fee	Proposed Fee	Present Gross Weight Limit	Proposed Gross Weight Limit
AZ—Under 3,000	$ 40.00	Same	12,000	Same
BZ—3,000-3,999	45.00	Same	15,000	Same
CZ—4,000-4,999	50.00	Same	20,000	Same
DZ—5,000-5,999	60.00	Same	26,000	Same
EZ—6,000-6,999	75.00	Same	30,000	Same
FZ—7,000-8,999	85.00	Same	34,000	Same
GZ—9,000 and over	100.00	$130.00	36,000	47,000

To determine the maximum allowable gross weight of any combi tion (tractor and semitrailer or truck and full trailer) add the all able gross weights for each of the two units making up the combinat A 'U' class tractor, for example, in combination with an 'F" class sin axle semitrailer, may now gross 31,000 pounds; S 615 proposes increase the gross-weight limit of this particular combination to 32 pounds, with a 5 per cent tolerance; practical gross-weight limit, the fore, would be 33,125 pounds.

However, the combined gross-weight limit for certain tractors semi or full trailers will exceed the maximum weight limit establis for any vehicle and hence will be true only in theory. A 'ZZ' truck example, combined with a 'GZ' full trailer, should be able to gr 76,000 pounds now and 94,000 under the proposed bill. Since the sets the weight limit for a truck and trailer combination at 62 pounds, with a 5 per cent tolerance—making it about 65,000—the truck and 'GZ' trailer would not be allowed to exceed this limit rega less of the limits set for their individual classifications.

The maximum weight limits for combinations proposed in S are:

EXHIBIT D-57

FOR RELEASE, SUNDAY
August 12, 1951

[Handwritten notation
CB Misc]

FROM: H.A. Thomson, Secretary
Penna. State Ass'n Township Supervisors
227 State St., Harrisburg, Pa.

SEES GAS TAX RISE IF TRUCK BILL PASSES

A rise in the gasoline tax to pay for the extra highway damage if the Big Truck Bill passes was predicted yesterday by H.A. Thomson, secretary of the State Association of Township Supervisors. The bill, S 615, would raise weight limits for tractor-semi-trailer combinations from 45,000 to 60,000 pounds.

Thomson said that the heavier weights would cause millions of dollars worth of damage to roads and bridges, few of which were built to carry 30 ton loads. "Pennsylvania now needs all its highway user revenues," he said, "to carry out its program of new and better highways. Any additional costs, such as the millions needed to repair truck-damaged roads and bridges, would have to come from higher gas taxes."

"Another cent or two on the gas tax," Thomson said, "would create an intolerable situation for the car owner. The pleasure-driving motorist would have to pay for highways damaged by commercial vehicles which use the public roads for private profit. As people who are close to the problems of road maintenance and finance the Supervisors are fully aware that heavy trucks not only severely damage many roads but also fail to pay their fair share of highway costs."

"Every legislator," Thomson added, "shold realize that the decision on this truck bill is a choice between voting for the public or for the trucks. A vote against the bill will retain and strengthen our highway system. A vote for the bill is a prelude to greater damage on our roads to destruction of many bridges, and to higher gasoline taxes."

In compliance with this action, the officials of the Pennsylvania State Grange not only opposed the Big Truck Bill, but introduced a Weight

a) Tractor and single-axle semitrailer: 48,000 pounds (Now 45,000)

b) Tractor-and tandem-axle semitrailer: 60,000 pounds (Now 45,000)

c) Truck and full trailer: 62,000 pounds (Now 62,000)

With the 5 per cent tolerance allowed under S 615, the practical limits are:

50,400 pounds

63,000 pounds

65,200 pounds

—0—

EXHIBIT P-291

EMPIRE STATE TRANSPORT LEAGUE

ELEVEN NORTH PEARL STREET
ALBANY, N. Y.

CROMWELL WOODWARD, Chairman
Utica, N. Y.

E. L. Torbert
Syracuse, N. Y.

Norman J. Gould
Seneca Falls, N. Y.

Earl J. Colwell
Hudson, N. Y.

R. A. Cooley
Buffalo, N. Y.

C. R. Wycoff, Jr.
Buffalo, N. Y.

A. F. Crane
Buffalo, N. Y.

John Tritten
Utica, N. Y.

Charles J. Peters
Utica, N. Y.

Neil O. Sheldon
Schenectady, N. Y.

H. C. Richter
Schenectady, N. Y.

Mills Ten Eyck
Schenectady, N. Y.

Charles W. Coneway
Schenectady, N. Y.

J. W. Biggs
Rochester, N. Y.

Dr. Adrian Buyse
Rochester, N. Y.

[Handwritten notation:
Van Riper]

Dear Sir:

In keeping with our policy of promoting an intelligent understanding by progressive-minded citizens of transportation and its related problems in New York State, we are enclosing for your information a resolution adopted by the New York State Grange on behalf of its 142,000 members at their annual convention in Elmira, November 3.

Main points of the resolution are: (1) Heavy commercial trucks pay less than one-quarter as much in gas taxes and license fees per ton-mile of highway use in New York State as passenger cars and light trucks, and (2) the legislature should enact an "increase in big truck license fees so that they pay a fairer share based on use and benefits, of the costs of thoroughfares in the state."

While these two points are the essence of the resolution, there are other facts and recommendations contained in the Grange's resolution (attached) that we believe should command the attention of all citizens interested in the state's transportation policy.

Sincerely,

/s/ CROMWELL WOODWARD
Cromwell Woodward

EXHIBIT P-293

RESOLUTION OF THE NEW YORK STATE GRANGE

Passed by its 1950 Annual Convention
Elmira, New York November 3
On behalf of its 142,000 farm members.

TU *35-45*

WHEREAS, the license fee for a typical farm-size truck in New York is e third highest for similar trucks in any state in the nation, while heavy tractor truck in New York pays the fourth lowest license fee r similar trucks in any state in the nation; and *Pa $250*

WHEREAS, trucks with an unladen weight in excess of 10,000 pounds *3.16%*
count for only 2½ per cent of all motor vehicles registered in ew York, but make a 28½ per cent use of this state's thoroughfares, ich results in New York's highway system bearing the third highest equency of heavy truck traffic of any state in the nation; and

WHEREAS, this state has a legal weight limit of approximately 32 as and an axle weight limit of 22,400 pounds which is among the ghest in the nation, and 4,400 pounds per axle over the limit recom- ended by numerous official agencies concerned with the conservation our highways, and

WHEREAS, the New York Temporary Commission on Agriculture ported that ~~$146~~,000,000 would improve all of the 26,600 miles of rmanent town roads, but will pay for only 737 miles of highway fficiently strong to support the relatively few heavily laden trucks; d

WHEREAS, a competent research organization employed by the Citi- ns Public Expenditure Survey reports that heavy commercial over- e-road trucks pay less than one-quarter as much in gas taxes and ense fees per ton-mile of highway use in New York State as pas- nger cars and light trucks.

OW THEREFORE BE IT RESOLVED that New York State Grange k the Conference Board of Farm Organizations to study state, county d town highway financing design and conservation, including

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Italics handwritten in original.

1. An increase in big truck license fees so that they pay a fairer share, based on use and benefits, of the cost of thoroughfares in the state, and

2. A reduction in the axle weight limit of big trucks to the 18,000 pound weight recommended by the American Association of State Highway Officials and endorsed by numerous official agencies; and

3. Vigorous enforcement of the truck weight laws to prevent damage to our roads and to reduce the safety menace of the highway boxcars.

4. More money from state-collected gas taxes and license fees for rural road improvement; this money to come from the savings in constructing less costly heavy-duty truck highways and a reduction in maintenance expense as a result of lowering truck weight limits and from big truck payments of higher license fees.

(Emblem) (Emblem)

PENNSYLVANIA SOCIETY OF PROFESSIONAL ENGINEERS
228 NORTH SECOND STREET • HARRISBURG
TELEPHONE HARRISBURG 4-0720

MEMBER
NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS
J. Donald Carpenter, President John T. West, Jr., Secretary

RESOLUTION ON OVERLOADING OF HIGHWAYS

WHEREAS, the rapidly rising costs of highway maintenance due largely to excess loads, are a matter of grave concern, and

WHEREAS, notwithstanding the liberal maximum load limits and sizes adopted by the various State legislative bodies and notwithstanding liberal standards recommended by recognized highway officials relative to highway vehicle sizes, speeds and weights, great damage to our highways has resulted from the failure of some highway users to respect and comply with these laws and standards, and

WHEREAS, the usability and safe condition of our highways is an important major factor in the defense of our country, and

WHEREAS, it is the obligation of Professional Engineers to take appropriate action in matters peculiarly fitting for engineers to judge concerning the general welfare, and

WHEREAS, the National Society of Professional Engineers in Annual Convention assembled in Minneapolis, Minnesota, on June 14, 15, 16, 1951, urged that each member State Society actively support programs of highway loading law enforcements, including special springtime restrictions or regulations, and further to actively support the legal adoption of the A.A.S.H.O. Standards in those States which now legally sanction sizes or weights in excess of those standards.

THEREFORE, BE IT RESOLVED that the Pennsylvania Society of Professional Engineers respectfully proffer its services and support, as a professional body of qualified engineers, to its respective State legislative bodies in the preparation and enactment of effective legislation to stop destructive practices, and be it further

RESOLVED that the Pennsylvania Society of Professional Engineers unqualifiedly support the principles set forth in Resolution No. 58, in the House of Representatives of the General Assembly of Pennsylvania, and be it further

RESOLVED that the Pennsylvania Society of Professional Engineers urges all highway users and shippers, whether public or private, to refrain from contributing either directly or indirectly to the abuse of public highway systems.

••••••••••

This resolution is adopted by the Executive Board of the Pennsylvania Society of Professional Engineers at their meeting on July 21, 1951.

/s/ J. D. CARPENTER
J. D. Carpenter
PRESIDENT

EXHIBIT D-7

EXHIBIT D-9

By T. J. Kauer

Director, Ohio, Department of Highways, and Chairman of the Inter-Regional Council on Highway Transportation which established the Maryland Road Test to determine the damage commercial vehicles are doing to the nation's highways.

The final report on the Maryland Road Test, to be presented at the annual meeting of the Highway Research Board in Washington January 15, offers more than a set of facts for highway engineers.

It offers, also, a warning to the nation that today's highway network simply can not stand the brunt of another all-out war effort.

During World War II, it became patriotic for the American trucking industry to pile unprecedented loads on commercial vehicles to keep the materials of war flowing.

The result was that our roads, never built to carry such weight, came out of the conflict literally broken to pieces and unable to carry the increasing heavy traffic that began rolling once the automobile and truck manufacturers had converted to peace time production.

Highway officials throughout the nation soon found their road systems inadequate, and were faced with the problem of remodeling their highway networks to handle the traffic of today and the future as well.

REASON FOR TEST

That's the main reason why the Maryland Test Road was established. Road builders had to know just what caused our highways to break up and what might be done to prevent it.

Engineers long had suspected that heavy loads were mostly responsible for breaking up the roads, but had no indisputable proof. Selfish interests like the truckers, seeking to avoid tax increases, contended that freezing and thawing weather was the dominant destroyer.

The roadbuilding engineers knew that weather was an important factor, but they suspected, too, that weight had a lot more to do with road damage. They could look, for example, at the entrances to heavy industrial plants and observe that driveways carrying unloaded vehicles into the plant held up longer than drives carrying the loaded trucks away from the factory. They knew, too, that on roads like the famous Pennsylvania Turnpike the outside (or truck) lanes cost about twice as much to maintain as did the inside lanes, which, for the most part, are used by lighter and faster vehicles.

In an effort to settle the issue once and for all, Ohio's Governor Frank J. Lausche called a conference December 5 and 6 1949 in Columbus, O. Central Atlantic and Mid-Western States highway officials were invited. Responding were representatives from Connecticut, Delaware,

Illinois, Indiana, Kentucky, Maryland, West Virginia, Wisconsin, the Bureau of Public Roads, and the Council of State Governments.

Out of this gathering grew the Maryland Test Road, the first scientific road study of its kind ever conducted.

Page 2

A committee of engineers representing the various states, the Bureau of Public Roads, and the Highway Research Board of the National Academy of Sciences selected for the test a 1.1 mile section of portland cement concrete pavement on U. S. Route 301 nine miles south of La Plata in Charles County, Maryland.

The pavement was constructed in 1941. According to the Maryland State Roads Commission, the traffic to which it had been subjected included mostly automobiles and only a few commercial vehicles with axle loads in excess of 18,000 pounds. The road also had been subjected to a variety of weather conditions, including freezing and thawing, wetting and drying and all the seasonal changes of a nine-year period.

The pavement was pronounced in excellent condition at the beginning of the test in June of 1950.

DIFFERENT WEIGHTS CHECKED

The test road was divided into four sections for the experiment with different weight trucks traveling the various sections.

Section No. 1, for example, was pounded by two-axle trucks with rear-axle loads of 18,000 pounds—the weight limit recommended for the nation's road by the American Association of State Highway Officials.

Section No. 2 carried two-axle trucks, too, but these were allowed to haul 22,400 pounds on the rear axle.

The other two sections tested the effect of tandem-axle loads. Section No. 3 carried tandem-axle vehicles with loads of 32,000 pounds. Section No. 4 had tandems hauling 44,800 pounds.

As the trucks started rolling, engineers checked every concrete slab in the road every day to determine what was happening. As cracks developed they were painted with various colored paints to record their progress.

The trucks were scheduled to roll from June to December, taking the test into the winter season and affording an opportunity to incorporate the effect of changing weather into the conclusions as well as the effect of the weight on the road.

PREMATURE BREAK-UP

But the section carrying the heaviest loads (44,800-pound tandem axles, which, incidentally, is the most prevalent type of over-the-road truck on our highways today) couldn't stand the strain. The Advisory Committee, for safety reasons, ordered traffic halted on this section

after five months because the broken up pavement was too rough for safe operation.

Up to this time, there had been 92,166 truck passes over the pavement carrying the 44,800-pound tandem axles and 3,303 feet of new cracks had been noted. This was 11 times more cracks than recorded on the lane carrying the 32,000-pound tandem.

Meanwhile, the comparatively lighter trucks kept rolling on the other sections. And after six months and 238,000 truck passes, the strip carrying 18,000-pound single axles had developed 241 feet of new cracks. The section carrying 22,400-pound loads on the single axle had 1,210 feet of new breakes, or five times the amount of cracks.

Page 3

This convinced the engineers that weight—and not weather—was the most important factor in road damage today. This brought immediate charges of "unfair" from various selfish interests who claimed, among other things, that trucks on the test road were not carrying normal loads and that the tests were accelerated far beyond normal usage of our highways.

This, of course, is not true in my home state of Ohio, and it seems safe to assume that many of our other states are carrying the same kind of heavy traffic as Ohio roads these days.

NORMAL TRAFFIC COMPARISON

To get an idea on how the test compares with ordinary, every day traffic let's compare the pounding the test road took with what our main highways have to bear.

On the test road, the trucks made from 884 to 1,333 trips every 24 hours.

A check of several main truck highways in Ohio showed the Ohio pavements were taking a much more severe beating. On U. S. Route 24 between Toledo and the Michigan State Line, for example, 2,840 such commercial vehicles traveled the road in a 24-hour period. On Route 20 south of Toledo, there were 2,240 trucks; on U. S. Route 25 between Dayton and Franklin there were 1,730, and on State Route 14 between Columbiana County and the Pennsylvania boundary, there were 1,520.

These same selfish interests also claimed that soil under the Maryland Test Road was inferior and that the conclusions, therefore, were worthless. This, too, is untrue.

The supervising engineers made careful tests of the soil. They bored holes some 30 inches deep into the ground adjacent to the pavement at 100-foot intervals.

"PUMPING" PRIME PROBLEM

They found the soils adjacent to the test road were better than the average soils for the whole state of Maryland, and as good if not

tter than the average type soils found under "pumping" pavements
such states as Illinois, Indiana, North Carolina and Tennessee.

"Pumping", incidentally, is one of the main reasons why the heavy vehicles pound our concrete highways to pieces. It occurs at the joints and cracks as the heavy loads pass over the pavement. What happens is that water gathers under the pavement at the joints and cracks. As a heavy load compresses the pavement, the water squirts out, carrying with it quantities of the underlying soil or subgrade.

This carves out huge holes beneath the concrete which tends to break or snap off as heavy loads pass over it.

The Maryland test established that there is a definite correlation between the soil type and the pavement behavior—the higher the granular content of the soil and the lower the plasticity the better the performance.

The test also established that the progress of cracking and depression of joints has a definite relationship to the amounts of pumping.

BEST UNDER 18,000-LBS.

The pavement stood up best, of course, under the 18,000-pound axle load, and this, as previously stated, coincides with the weight limit recommended by the American Association of State Highway Officials.

It also emphasizes the inescapable fact that our roads simply can not stand the pounding of another all-out war effort, and certainly can not be considered expendable as they were in World War II.

In Ohio, for example, a post-war survey showed at least $2 billion was needed to put the roads in shape to carry the traffic of today and the anticipated future. That's more money than was spent for all street and road work in the state in 20 years prior to 1948.

A number of our roads today were built before 18,000-pound axle loads even were heard of, and wouldn't stand up long under such pounding.

It is possible for highway engineers to design pavements which will withstand any given axle loads, but such pavement costs considerably more than that built for moderately heavy loads.

That raises the question of who should pay for these roads of the future, and the answer would seem to be the trucking industry, which is necessitating the building of stronger highways. But the trucking industry, vigorously contending it already is paying its share of highway costs, is fighting all attempts to add to the industry's highway tax bill.

Until this dilemma is resolved by the legislators, it would seem only reasonable to suggest that no heavier loads should be permitted on our highways—a suggestion which was endorsed both at the formation of the Inter-Regional Council on Highway Transportation in Columbus in December of 1949 and at the Governors' Conference at White Sulphur Springs, W. Va., in 1950.

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PENNSYLVANIA STATE GRANGE
OFFICE OF THE MASTER

633 School St.
Indiana, Pa.

Statement regarding the Pennsylvania Motor Truck Association Pamphlet

Please read in your next Grange Meeting.

On August 15th, the Pennsylvania Motor Truck Association published a scurrilous and malicious pamphlet, defaming the character of Pennsylvania Grange officials. They asserted we were duped and misled when we opposed legislation to permit heavier trucks on Pennsylvania's highways.

If the truckers' charges were directed only at the character and integrity of the Grange officials and the implied inability of our 80,000 members to do their own thinking, we would be proud to stand upon our record. That, however, is not the issue. At stake are the highways of our state, the interests of the farmers and above all the interests of all citizens of Pennsylvania. Therefore, we cannot permit their deliberate distortion of facts to go unchallenged.

The accusation that the Grange opposition at the hearings held by Governor Fine, just preceding his veto, was inspired by the railroads and their public relations agent is a deliberate falsehood. Long before the legislature convened, the Grange was publicly on record as opposed to an increase in maximum truck weights. Early in 1950, Granges in Mercer, Potter, and Tioga Counties passed resolutions and sent them to the State Grange. As a result, the following resolution was passed by the Pennsylvania State Grange at York on October 26, 1950, and appears in the Journal of Proceedings, page 112:

> "WHEREAS, The legislatures of the several states have rightly enacted laws limiting weights of loads that may legally be transported on our highways, and,
>
> "WHEREAS, Overloading has become a common practice with certain types of for-hire carriers who are more interested in profits than in obeying the law, and
>
> "WHEREAS, These violations on the part of a minority of carriers are bringing the motor transport industry into disrepute, and
>
> "WHEREAS, Thomas H. MacDonald, Commissioner of the United States Public Roads Administration, has said: "Specifically, we are overloading our highways in their traffic volume capacity and their structural capacity . . . and the results are so costly both to individuals and to the public that they total a disgraceful and extravagant waste in the Nations' true economy,' therefore be it
>
> "RESOLVED, That the Pennsylvania State Grange go on record as being in favor of holding fast to the present weight limit of 73,000 pounds for trucks and trailers, and that the law be strictly enforced."

In compliance with this action, the officials of the Pennsylvania State Grange not only opposed the Big Truck Bill, but introduced a Weight-Distance Highway Use Tax measure patterned after those of Oregon

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show that in opposing the Big Truck Bill and urging the Governor to veto the measure, your officials were not working for the best interest of the farmer, but had been used by the railroads to prevent a lowering of hauling rates on fertilizer deliveries to farmers. The truckers based this contention on the case of one, Paul G. Miller, a truckman of Shippensburg, Pennsylvania who was denied the privilege of hauling fertilizer at lower rates than those set by the Interstate Commerce Commission. It is claimed that the railroads, and indirectly the Grange, were responsible for this decision. The facts in this case are a matter of public record, and are on file with the Interstate Commerce Commission at Washington.

On March 24, 1952, a trucking organization, The Middle Atlantic Conference, filed a protest with the Interstate Commerce Commission opposing Mr. Miller's request. Please note that the Conference is "a non-profit corporation, serving over 1,300 motor common carriers, as a freight rate and tariff agency". By far the majority of the common carrier trucking companies that belong to the Pennsylvania Motor Truck Association also are members of the Middle Atlantic Conference. The pamphlet just published by the Pennsylvania Motor Truck Association does not mention this fact.

On the same date, March 24th, the Motor Carrier Bureau of the eastern railroads, of which the Pennsylvania Railroad is a member, also filed a protest with the Interstate Commerce Commission, concurring with the position taken by the Middle Atlantic Conference. It should be pointed out that under the Interstate Commerce Commission regulations, any organization or citizen affected by a proposed change in tariff rates may file a protest. The Grange had no part in this hearing.

Perhaps the greatest distortion of the facts in The Pennsylvania Motor Truck Association pamphlet is their implication that Governor Fine's refusal to sign the Big Truck Bill was responsible for Paul Miller's inability to haul 20,000 pounds payloads of fertilizer to farmers in Dauphin and Cumberland Counties. The inference is that if the Governor had signed the bill, Mr. Miller could haul 20,000 pound loads. The fact that the Big Truck Bill had nothing whatever to do with the situation can be seen from the following section taken from the letter sent by Mr. Miller to the Interstate Commerce Commission under date of March 31, 1952:

> "Most of the fertilizer which I haul is delivered to farms and must be transported over county roads and rural bridges, the majority of which permit only a stated maximum weight. The legal maximum weight on bridges in Cumberland and Dauphin Counties over which I must drive does not permit me to load 20,000 pounds. I find this posting of maximum weights on roads and bridges to be more of a problem everyday, and therefore, if I am to operate without violating the law, it is imperative that I load only 16,000 pounds of fertilizer for delivery to farms."

By inference, the PMTA attempts to convey the impression that by

EXHIBIT D-63

Suggested Letter From Dr. Dimit to Senators, Congressmen, Legislators; with other copies to selected press and grange leaders)

Dear Sir:

Last week the Pennsylvania Motor Truck Association published and leased a scurrilous and malicious pamphlet defaming the character f Pennsylvania Grange officials and asserting we were "duped" and deceived" when we opposed legislation to permit heavier trucks on ennsylvania's highways.

If the issue at hand were concerned solely with the character and ntegrity of Grange officials, we would be proud to stand upon our ecord. That, however, is not the issue . . . . at stake are the highways f our state; the interests of the farmers and above all, the interests f all citizens of Pennsylvania. Therefore, we cannot permit such a eliberate distortion of the facts to stand unchallenged.

The whole point of the pamphlet is the truckers' claim that one Paul . Miller, a truckman, was prevented by the Pennsylvania Railroad nd indirectly by the Grange from lowering rates for hauling fertilizer. he facts are a matter of public record and are on file with the Interate Commerce Commission in Washington.

On March 24, 1952, a trucking organization, the Middle Atlantic onference, filed a protest with the I.C.C. opposing Mr. Miller's reest. Please note that the Conference is "a non-profit corporation rving over 1,300 motor common carriers as a freight rate and tariff gency." By far the majority of the common carrier trucking comanies that belong to the P.M.T.A. also are members of the Middle tlantic Conference.

On March 24, 1952, the Motor Carrier Bureau of the Eastern Railads also filed a protest with the I.C.C. concurring with the position ken by the Middle Atlantic Conference. The Pennsylvania Railroad a member of the Bureau. I should point out that under I.C.C.

regulations any organization or citizen affected by a proposed chang in tariff rates may file a protest.

Perhaps the greatest distortion of the facts in the P.M.T.A. pamphle is the indication that Governor Fine's refusal to sign the Big Truc Bill was responsible for Paul Miller's inability to haul 20,000-poun pay loads of fertilizer to farmers in Dauphin and Cumberland Countie The implication is that if the Governor did sign the bill, Mr. Mille could haul 20,000-pound loads.

The fact is that the Big Truck Bill had nothing whatever to do wi the situation. I quote below from Mr. Miller's letter to the I.C.C dated March 31, 1952.

"Most of the fertilizer which I haul is delivered to farms and mu be transported over county roads and rural bridges, the majori of which permit only a stated maximum weight. The legal max mum weight on bridges in Cumberland and Dauphin Counties ov which I must drive does not permit me to load 20,000 pounds. find this posting of maximum weights on roads and bridges to more of a problem every day, and, therefore, if I am to opera without violating the law it is imperative that I load only 16,0 pounds of fertilizer for delivery to farms. I do not have th problem on the occasional deliveries which are made to warehous and would like to maintain the 20,000 pound truckload minimu weight on this traffic."

In short, the P.M.T.A. attempts to say that by the mere act of signi a bill to increase truck weights our Governor simultaneously wo increase the strength of bridges to enable them to carry substantia heavier loads.

One year before the trucking interests in our State introduced the b to increase truck weights the Pennsylvania State Grange was on r ord opposing any increase in weight limits. The following resoluti was adopted by the Pennsylvania State Grange at York, Pennsylvan October 26, 1950:

"Whereas, The legislatures of the several states have rightly

acted laws limiting weights of loads that may legally be transported on our highways, and,

"Whereas, Overloading has become a common practice with certain types of for-hire carriers who are more interested in profits than in obeying the law, and

"Whereas, These violations on the part of a minority of carriers are bringing the motor transport industry into disrepute, and

"Whereas, Thomas H. MacDonald, Commissioner of the United States Public Roads Administration, has said: 'Specifically, we are overloading our highways in their traffic volume capacity and their structural capacity . . . and the results are so costly both to individuals and to the public that they total a disgraceful and extravagant waste in the Nation's true economy,' therefore be it

"Resolved, That the Pennsylvania State Grange go on record as being in favor of holding fast to the present weight limit of 45,000 pounds for trucks and trailers, and that the law be strictly enforced."

The implication of the P.M.T.A. that Grange officials were "duped" opposing the truck bill of 1951 overlooks the fact that Grange mbers and officers were aware of the real threat to our highways in advance of the date that supposedly we were "influenced."

is the expressed desire of Grange members to continue to oppose attempt to further damage the highways of our State. We have led fight against attempts to increase truck weights and it is the h of our members that we continue in this capacity.

Sincerely yours,